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IAEA Director General Blix Denounces DPRK

SK0311022095 Seoul TONG-A ILBO in Korean 3 Nov 95 p 1

[Report by Yi Kyu-min from New York]

[FBIS Translated Text] Hans Blix, director general of the International Atomic Energy Agency [IAEA], has denounced North Korea for not completely abiding by the nuclear agreement between North Korea and the United States reached in Geneva in October 1994.

In a report to the UN General Assembly, Director General Hans Blix stated on 1 November that North Korea had not abided by the contents of the agreement indicating that it would put the nuclear materials under the supervision of the IAEA. He said: North Korea is breaking some key promises from the items agreed upon in October 1994.

UN Urges DPRK To Cooperate With IAEA

SK0211105595 Seoul YONHAP in English 0832 GMT 2 Nov 95

[FBIS Transcribed Text] Seoul, Nov. 2 (YONHAP) — The United Nations Wednesday adopted a resolution urging North Korea to fully cooperate with the International Atomic Energy Agency (IAEA) in implementing IAEA nuclear safeguards while expressing concern over the North's failure to meet the safety measures, Foreign Ministry Spokesman So Tae-won said Thursday.

The United Nations General Assembly passed the resolution with 144 votes in favor of the resolution, one (North Korea) against and eight abstentions (China, Cuba, Ghana, Laos, Vietnam, Syria, Sudan and Tanzania), the spokesman said.

The resolution said that the United Nations "commends the director-general and the Secretariat of the agency (IAEA) for their continuing impartial efforts to implement the safeguards agreement in force between the agency and the Democratic People's Republic of Korea including their efforts to monitor the freeze of specified facilities in the DPRK as requested by the United Nations Security Council."

It also expressed "concern over the continuing noncompliance of the DPRK with the safeguards agreement and urged the DPRK to cooperate fully with the agency in the implementation of the safeguards agreement and to take all steps the agency may deem necessary to preserve, intact, all information relevant to verifying the accuracy and completeness of the DPRK's initial report on the inventory of nuclear material subject to safeguards until the DPRK comes into full compliance with its safeguards agreement."

DPRK, KEDO 'Narrowed' Differences on LWR

SK0711142295 Seoul CHUNGANG ILBO in Korean 7 Nov 95 p 2

[Report by Pae Myong-pok]

[FBIS Translated Text] The reimbursement of the cost of the ROK-type light-water reactors [LWR's] to be provided to North Korea will probably begin after 2010 and be completed as late as the latter half of 2030.

Moreover, the infrastructure necessary for the construction of the LWR's, such as roads and port and harbor facilities, will be provided to North Korea along with the LWR's, therefore, the cost for the provision of LWR's will turn out to be far more than the $4 billion reported.

It has been learned that the Korean Peninsula Energy Development Organization [KEDO] and North Korea narrowed their differences at the New York high-level talks on the reimbursement of the cost of the LWR provision by a 25-year installment payment without interest with a seven-year grace period.

A government source well-informed of the LWR negotiations said on 6 November, "The negotiation on the reimbursement conditions has made considerable progress because North Korea withdrew its earlier demand that the cost of the LWR provision less the amount of its investment in the graphite-moderated reactors be the final amount of reimbursement." He added, "In return, we are positively reviewing the possibility of accepting the North Korea-proposed reimbursement condition of a 25-year installment payment without interest with a seven-year grace period."

This means that the reimbursement of the cost of the provision of LWR's will begin around 2012, seven years after 2005 when the LWR construction will be completed, and the reimbursement will be completed by 2037 at the earliest. Considering the financing cost, the LWR's are virtually provided free of charge. The source said that it is quite probable that although the facilities for power distribution will not be included in the LWR provision, the dock and docking facilities and the roads connecting the dock and the construction site will be included, thus hinting that the cost of the provision of LWR's for North Korea will turn out much more than the $4 billion originally anticipated. North Korea and the KEDO have been holding high-level and experts' talks in New York since the end of September for the signing of an agreement for the provision of LWR's.

Japan

Daiwa Scandal Said Fanning U.S. Distrust

OW0811030995 Tokyo KYODO in English 0214 GMT 8 Nov 95

[FBIS Transcribed Text] Washington, Nov. 7 KYODO — The Daiwa Bank scandal has reinforced U.S. suspicions about murky relationships between the Japanese Government and the business community, a Japanese diplomatic source here said Tuesday [7 November].

"There has long been an impression in the United States that the relations between the Japanese Government and companies are not transparent," the source said. "I am concerned that the series of media reports has further strengthened the mistrust."

The source argued that business practices and the ways of solving business disputes between Japan and the U.S. should be based on common rules as much as possible.

Japan should improve the transparency of its administration and business practices, he added.

Daiwa Bank has been ordered by U.S. financial authorities to terminate all its operations in the U.S. by Feb. 2 because of a suspected cover-up by the bank's management of huge losses incurred by a dealer at its New York branch.

Nosaka Criticizes William Perry's Remarks

OW0811112395 Tokyo MAINICHI SHIMBUN in Japanese 7 Nov 95 Morning Edition p 2

[FBIS Translated Text] At the 6 November session of the lower house Foreign Affairs Committee, Chief Cabinet Secretary Koken Nosaka criticized recent remarks by U.S. Secretary of Defense William Perry. With regard to the rape of an Okinawan schoolgirl by U.S. servicemen, Perry said in a news conference at the Japan National Press Club that "it is unnatural to expect a community of 47,000 U.S. personnel to be totally crime-free." Commenting on this, Nosaka said: "We are very disappointed. It is extremely regrettable, and it is impossible for us to tolerate his remarks." He added: "We have demanded that U.S. Forces enforce strict discipline again and again to prevent repetition of such incidents. This is why we have to discuss better implementation of the Status of Forces Agreement."

Okinawa Group Demands Drastic Review of SOFA

OW0811060495 Naha RYUKYU SHIMPO in Japanese 7 Nov 95 Morning Edition p 2

[FBIS Translated Text] Tokyo — An Okinawan delegation on 6 November delivered the Okinawa Government's statement of request to the Defense Agency [DA] and the North American Affairs Bureau under the Ministry of Foreign Affairs [MOFA], calling for the improvement of 10 points in the Japan-U.S. Status of Forces Agreement [SOFA].

Led by Choko Takayama, policy coordinator of the Okinawa prefectural government, and Tatsuo Matayoshi, director general of the governor's office, the delegation demanded a drastic review of SOFA.

In reply, DA Director General Seishiro Eto said only: "We would like to study these requests at the new Japan-U.S. consultative forum."

Toshiyuki Takano, MOFA North American Bureau counsellor, responded similarly, saying: "We would like to discuss what kind of improvement is possible at the new Japan-U.S. consultative forum."

The delegation also visited the Okinawa Development Agency, the chairmen of the Special Committee on Okinawa and Northern Problems in both the House of Representatives and the House of Councillors, and also concerned officials with each political party. It demanded a revision of SOFA.

MOFA Official Comments on SOFA Application

OW0811065795 Tokyo MAINICHI SHIMBUN in Japanese 7 Nov 95 Morning Edition p 2

[FBIS Translated Text] Vice Foreign Minister Sadayuki Hayashi, at a news conference on 6 November, touched on the Okinawa prefectural government's demand that the central government review the Status of Forces Agreement [SOFA], and said: "The Foreign Ministry wants to hear an explanation of the details of the Okinawa government's demand and consider what kind of improvement is technically possible. What is important is to improve the agreement substantially." He indicated that the ministry intends to deal with the Okinawans' demand not by reviewing SOFA but by improving applications of the existing agreement.

Expert Assesses Changing Japan-U.S. Relations

952A0802A Tokyo SEIRON in Japanese Oct 95 pp 74-85

[Article by Kyorin University professor Tadae Takubo: "Japan-U.S. Relations: Undercurrent of Major Change"]

[FBIS Translated Text]

In the background of the "steamroller attitude" the United States displayed in the automobile negotiations, we should recognize signs of substantive changes in the Japan-U.S. relationship.

1. The Abnormality of the Japan-U.S. Automobile Negotiations

The Japan-U.S. relationship in the postwar period has continued within the framework of the Japan-U.S. Security Treaty without the occurrence of truly serious discord, but I received the strong impression that in the undercurrent, while quiet, there is an unmistakable change in progress. I have tried to keep abreast of the main dealings between Japan and the United States since the Japan-U.S. textile negotiations of 1970, but is it possible that the anomaly of the recent automobile and auto parts negotiations portend future changes in the Japan-U.S. relationship?

I will omit the details of the proceedings of the negotiations, but the U.S. side was waving around a broadsword, such as "numerical targets," etc., and the Japanese side, saying "do what you will," appealed to the World Trade Organization (WTO).

In the past, directly concerned government agencies on the Japanese side would argue fiercely with the U.S. side, but the Foreign Ministry would ordinarily attempt to placate the related government agency and a relatively broader point of view. However, this time it appeared that this same Foreign Ministry was of an identical mind as the Trade Ministry, saying "This is no longer an age where we do whatever the United States says" and "There is nobody in the Clinton Administration that understands Japan, so let us have it settled before the proper authorities." The thing that is not ordinary concerning both Japan and the United States is that, while brawling on the trade problem, they glossed it over by saying it will not have a negative impact on Japan-U.S. relations as a whole. I will discuss this in detail later, but first the Nye Report came out, which reiterates the importance of underscoring the Japan-U.S. relationship as if there were no change on the U.S. side, then the Johnson Report, which suggests that revision or abolishing the Japan-U.S. Security Treaty is necessary for the purpose of democratization of Japan, is published in an influential periodical. One has a feeling that the chain reaction of the end of the Cold War has extended to the Japan-U.S. relationship, and, accompanying that, the domestic circumstances in Japan may usher in a period of the greatest change for 21st century since the arrival of Perry's ships.

The diplomacy that Perry conducted toward the feudal government of Edo was typical gunboat bluffing diplomacy, but President Theodore Roosevelt used the phrase "Speak softly with a big stick" to describe the method of diplomacy in the imperialist age. However, Trade Representative (USTR) Kantor did not speak softly while waving around the big stick of implementation of the Super 301 clause on 29 June but instead raised his voice. Trade Minister Hashimoto did not give in to this at all.

Speaking of anomalies, what on earth is this jointly-declared document of the Japan-U.S. automobile agreement? Although the U.S. side is declaring in this that the approximately 200 new sales companies by the end of 1996 in this will be increased to about 1,000 by the year 2000, it is also specified that "Trade Minister Hashimoto said that because this estimate exceeds the scope and responsibility of the government, the Japanese government makes no contribution whatever to this estimate." Although Representative Kantor estimates that the purchase estimates of foreign-made parts by Japanese firms will be $6 billion by 1998, the joint statement clearly specifies that "Trade Minister Hashimoto expressed the sentiment the Japanese Government is not contributing to calculations of this estimate." How in the world, then, can this be a document of agreement? The majority of the difficult negotiations of nearly two years is said to have been give and take surrounding the "numerical targets." Is it not the case, then, that they simply have agreed to disagree?

The United States applies pressure on Japan to force it during unreasonable negotiations, but in meetings that concern me and in the course of my personal contacts with Japanese people, they almost always express doubts concerning what the United States' real intentions are. This is probably evidence that the methods of the Clinton administration are almost unnaturally high-handed. However, when I read a document that explains events leading up Representative Kantor taking sanctions against Japan at the White House on 10 May after the Japan-U.S negotiations broke down, I do frankly not feel all that unreasonable. Concerning the finer points, one is not unable to understand Japan's situation, but viewed broadly I think that Japan has unilaterally benefitted excessively from Japan-U.S. automobile trade.

Representative Kantor says that after 1980 the U.S. trade deficit with Japan became $63 billion by 1994. Of this nearly 60 percent is from the automobile trade imbalance. After the war in 1953 the so-called Big Three of Chrysler, Ford, and General Motors had a 57 percent share in Japan's market, but due to the Japanese Government's policy of cultivating domestic industry, high tariffs, capital allotment and other measures forced out foreign production firms and by 1960 the U.S. share had reached 1 percent.

In contrast to the Japanese car companies which last year had a 24 percent share in the United States, the U.S. share in Japan was only 1.5 percent. The total foreign car share was a measly 4.6 percent, but the foreign car share of other G-7 [seven major industrial nations] besides the United States were high figure ranging from 33 percent to 57 percent. The rate of penetration of foreign-made products in the automobile parts market is exceedingly low at 2.4 percent contrasted with the high rate of 16 to 60 percent in other G-7 nations.

The Reason for the Shift in Perception of "Numerical Targets"

The U.S. negotiations first of all end up becoming a request to expand the ratio of U.S. cars handled by dealers. As U.S. President Clinton says in a statement released after the negotiations a compromise, although 80 percent of dealers in the United States are selling Japanese cars along with U.S. cars, in Japan the percentage of dealers handling foreign cars and Japanese cars is 20 percent and those handling Japanese cars and U.S. cars are a mere 7 percent. The Japanese side refutes this saying that efforts of the U.S. side to make sales are inadequate, but I will explain about this later.

Secondly, there is dissatisfaction about the vehicle inspection system. I myself am a user and because, not having time for such things, I left everything up to the dealerships. The dealerships are probably following the repair first inspect later method. As a user, my right to choose when they replace parts is next to nil. It is not unusual for only certain Japanese-made parts to be used. The fees for vehicle inspection when compared to other countries is naturally so high as to make anyone angry. This is the reason that the penetration rate of foreign-made parts in Japan is so curiously low. I can easily understand why the U.S. side requests "numerical targets" such as adding to voluntary purchase of U.S. made parts, dealer expansion, etc.

According to figures that Mr. Thomas G. Diem of Chrysler Corporation frequently quotes, in the past 25 years the United States has exported 400,000 cars to Japan whereas Japan has sold 40 million units to the United States in that same period. Just last year Japan's consumers purchased 6.5 million cars but among them foreign cars made up just under 5 percent of the whole or 300,000. Although the Big Three is trying to increase the unit sales quantities this year by about 12,000 units, Japan sells the same amount in the United States in the space of three days.

Japan's response to the United States giving specific figures is the same. The main counterarguments used are 1) in a free trade system inexpensive, good quality products will sell, and it is outrageous for the United States to use the sacred cause of "numerical targets," etc., 2) the United States is not expending as much sales effort in Japan as the European nations are, 3) Ambassador to Japan Mondale says that several dozen U.S. cars are changing to right side steering wheels, but most of them are reverse imports of Japanese-made locally-produced Mazdas and Hondas that essentially have the Ford brand name stuck on them, and there are only two true right hand steering wheel cars, and 4) that Japanese dealer networks are not a custom unique to Japan but is originally the system that Toyota adapted from the sales system employed by the Big Three.

In the "Wall Street Journal" dated 27 June one day prior to the wrap up of the discussions between Hashimoto and Kantor, a Democratic senator wrote a piece criticizing President Clinton on the automobile issue. This congressman was concerned that by expansion of exports to Japan based on implementation of sanctions on Japan and numerical targets, on top of the loss of 81,000 jobs in the Japanese-made luxury car sales industry in the United States, there would be criticism that the United States is in violation of WTO principles and rules. Further, if Japan were to recognize the request for numerical targets, because Japan's bureaucrats would implement them, it would result in President Clinton promoting a movement toward the augmentation of the strength of the bureaucratic structure, which is a direction that the U.S. Government would not favor.

For Japan this was a very welcome reinforcement, and inside the Japanese Government, there was surely not a little bewilderment about whether Congressman Bradley is their friend or foe. However, even that same congressman would probably be compelled to turn his attack on Japan if the question was limited to what to do about the enormous imbalance on all fronts that confront Japan-U.S. automobile trade.

When the question is investigated in detail, this matter has the possibility of many theories depending on the country, the point of view and the extent of connection to automobile trade. If one looks at a tree and while observing the limbs, one enters a forest, there is a danger of losing track of the way out. Therefore, my frank impression is that in this battle, Japan made "numerical targets" the focus, and the United States pressed, using "numerical targets" as the fulcrum for "opening markets." I do not know if both did this intentionally or unintentionally, but their target of attack shifted. That is why even Trade Minister Hashimoto boasts that he repulsed the targets, but the other side does not see things that way because they do not consider it to be an offensive and defensive battle concerning "numerical targets." There is nothing behind the coercive negotiations in which it appears that the United States is thrusting unreasonable demands on Japan. To the extent that it concerns negotiations with Japan, although there is the situation that there are no Japan experts among the Clinton administration upper level people and that the character of diplomatic negotiations of the President and Representative Kantor leaves much to be desired, I believe that we must not lost sight of the fundamental problem of one feeling of crisis in which post-Cold War United States finds itself.

3. The Spasm That Occurred in Japan-U.S. Relations

Therefore, the greatest concern for me is the cause of the abnormal phenomenon surrounding automobiles and auto parts negotiations, i.e., the cause of the spasm that began to occur in Japan-U.S. relations. The immediate cause has already been pointed out at length by specialists so I will omit it, but more than that, we must take note of the fact that the greater international landscape surrounding the Japan-U.S. relationship has completely changed and that change, while slow, is steadily advancing. That change is the end of the Cold War that had been unfolding with the Soviet Union for 50 years. To start with the conclusion, the character of the Clinton administration is that it is an "introverted" administration that drew a line from the previous U.S. administrations before it up to and including the Bush administration and the Republican party, which gained majority control over the Senate and the House in the midterm election in November 1994, has ideas that could also never be considered "extroverted." This is clear when one looks back at the situation at the time when President Bush, who advocated the creation of a new world order (NWO) toward the 21st century after the end of the Cold War, lost the presidential election and his second term and President Clinton, who clamored for an "American renewal," was elected.

From 1990 to 1991 when the Cold War seemed pretty much settled and debate finally began about what the U.S. domestic goals would be heading into the 21st century, Harvard University professor Samuel Huntington, who wrote *Clash of Civilizations*, published a paper called *Strategic Concerns for a Changing America* that appeared in the January and February issues of the SURVIVAL magazine. I will simply introduce what he says. The United States has been faced with a strategic choice three times in its diplomatic history. The first was in 1815 when the Napoleonic War ended; the second was 1898 when Spain was defeated; the third was 1945 when it defeated Germany and Japan. However, the Cold War with the Soviet Union began in 1945 and that finally came to an end with the collapse of the Berlin wall in 1989. Professor Huntington plainly states that at that point, initially of a strategic concern to United States was "a world wide power that surpassed the United States. That signified that for the next 10 years it would meet the economic challenge from Japan." The professor asserts as the reason the United States was fixated with Japan that it was being threatened by Japan the same way it had formerly been threatened by the Soviets. That is to say that in every field, whether it is the economic growth rate, productivity, high-tech, exports, savings, investment, patents, research, development, there was no other country that threatened the relative value of the United States. Though the current Japanese economy is in the process of taking on quite a different aspect, even so, Professor Huntington quotes the phrase of Daniel Bell that "economics is a continuation of war by other means," and cautions that to allow Japan to lead even in various technical fields "will present the possibility that the U.S. national security will be impacted." This is the perception that instead of one nation that poses a military threat to the United States like the Soviet Union, now, heading into the 21st century, Japan, which poses an economic threat, has appeared. I do not know to what extent Professor Huntington's perception speaks for the people of the United States, but it is probably not a minority of the general populace as well as U.S. authorities who believe that the Soviet military threat has been replaced by the Japanese economic threat.

Mr. Kantor, who was Mr. Clinton's campaign adviser, at the initial stage of the election campaign decided to loudly appeal to the regeneration of the domestic economy to counter President Bush's NWO [new world order]. On 13 August 1993, presidential candidate Mr. Clinton gave a speech at the Los Angeles Conference on World Issues, disclosed that the basis of U.S. diplomacy is in the strengthening of the domestic economy, and revealed the plan of newly establishing an economic security council if he were elected President. Two weeks after winning the election President-elect Clinton and Vice President Gore invited then House of Representative Speaker Foley, Senate Majority Leader Mitchell, and House Majority Leader Gephardt to Little Rock Arkansas to examine the new administration's basic position. In the press conference afterward President Clinton was saying, "The top priority in policy will be to create jobs, raise incomes, get the economy moving again and boost the long-term economic competitiveness of the United States." It is important to accurately understand how different this character is from the Bush administration.

Successive presidents up to and including President Bush had participated in World War II. Mr. Bush has the experience of being shot down by the Japanese navy over Chichijima and narrowly escaped death because he was rescued by a U.S. submarine that just happened to be nearby. Mr. Clinton was born after the war and grew to adulthood along with the growing Japanese economy;

he became governor of Arkansas and made it to the White House. He can probably from personal experience feel how the severe criticism by the United States about Japanese economy has intensified.

I hope I will be forgiven for frequently quoting Professor Huntington, but he wrote a paper called *Why Global Dominance Is Vital* that appeared in the spring 1993 issue of INTERNATIONAL SECURITY. In that paper he asserts that the three foundations upon which the Japan-U.S. alliance was formed are common political and economic values, common economic interests, and, on the security front, the Soviet threat, and that if the "Soviet threat" among these did not exist, the Japan-U.S. alliance could "never" exist. It is probably up to Japan to insist that North Korea or China is a threat and to consider that they replaced the "Soviet threat." Even assuming that North Korea had one or two nuclear weapons, a mid-range missile of 1,000 km such as Rodong 1 would be suited for attacking the Japanese mainland and would never make it to Hawaii. There is a considerable difference between Japan and the United States in the perception about the Chinese military threat also. Is there an "economic interest" between Japan and the United States? It is a fact that there is, but the number of instances where the interests of both countries clashed has increased since the conflict over textiles. There are not a few who, like Professor Huntington, tend to view Japan as the "economic" foe of the 21st century. With respect to Japan's "political and economic value system," proponents of a heterogenous Japan would say that, different from the United States, Japan's democracy and market economics are fairly doubtful. To put it clearly, my perception is that the Japan-U.S. alliance is wearing thin accompanying the end of the Cold War.

4. Alliance Relationship Wearing Thin

At present, when the global landscape has changed completely and the fragility of the Japan-U.S. security treaty has become exposed, how should one interpret the fact that the automobile and auto parts negotiations, accompanied by many "anomalies," were carried out for over two years? What defies understanding is the fact that Japanese and U.S. authorities made several statements that economic friction will not have a deleterious effect on Japan-U.S. relations as a whole. How many times have we heard Japanese Government authorities give the explanation that "this degree of give and take between Europe and the United States is commonplace, so there is no damage on the national relationship. We want you to understand that Japan has also become like Europe." As a matter of fact, just prior to the Halifax Summit after Prime Minister Murayama and President Clinton had a discussion about the automobile issue they held a press conference in which, arranging not to contradict each other, they made a statement that "we reached an understanding that the automobile issue must not cast a shadow on Japan-U.S. relations including their security."

I have come to feel that there is something unnatural in this series of declarations of government authorities. How can countries that have individuals putting on a fierce show of kicking each other under the table while their upper halves are engaged in a pleasant chat obstinately insist that such behavior is natural? Organizations or nations that continue such stunts will have problems. Moreover, it is only when a loosening occurs in the thread that binds the Japan-U.S. relationship that I sense something artificial.

Last May at the U.S. Asian Relations Symposium held at the Heritage Foundation, a U.S. private research institute in Washington, senior researcher Mike Mochizuki of the Brookings Institute positively stated that the age of the Japan-U.S. security system functioning as a "fire wall" that prevents the worsening of relations between those countries has ended and warned that if the automobile friction continues, support for the security relationship by the American people would crumble. If I were an American, that is exactly how I would feel about it. At that same symposium Heritage Foundation Asia Research Institute director James Priestrap predicted that if a situation were to arise in which the WTO were to hand Japan a victory on the automobile issue, "there would likely be an eruption of dissatisfaction that it is silly for the United States, with its $60 billion trade deficit with Japan, to be tied down to the one-sided Japan-U.S. security system" in the U.S. Congress. If I were a U.S. Congressman, I would be positively overflowing with displeasure.

Mr. Roger Buckley who lectures at Japan's International Christianity University argued in the 31 May issue of the INTERNATIONAL HERALD TRIBUNE" that with respect to postwar Japan-U.S. relations, no matter how much Japan's massive trade surplus and obstacles for imports may have been criticized, the alliance between the two countries has been regarded as a sacred existence, but due to geo-economic demands of U.S. foreign policy after the end of the Cold War, the strategic proposition that had bound the two countries together can no longer be counted on.

Specifically, he is saying that "amid intensification of trade friction, it is becoming increasingly difficult for the United States and Japan to continue smooth cooperation militarily. The costs for deploying the U.S. military for Japan's defense can only be justified if it is regarded as beneficial both for Japan and for the United States.

However, if it is felt by the U.S. Congress, the financial circles and in public opinion that U.S. products are being unjustly excluded from the attractive Japanese market, it is clear that it will become increasingly difficult for the U.S. Government to make such an assertion." I think that is an extremely honest attitude for Americans to take.

For Japanese who have begun to say a "definite No" to the United States concerning economic friction, hearing that the security system has ceased to be a "fire wall" no doubt sounds like a serious warning. As former U.S. Under Secretary of State (former Ambassador to Japan) Alexis Johnson repeatedly vented his dissatisfaction concerning the issue of returning Okinawa 25 years ago, "The Japanese seem to have the sense that the Japan-U.S. security treaty exists mainly because the United States needs it, but if that way of thinking is not rectified, a true Japan-U.S. relationship will not materialize," and I believe that this point is applicable even now. I have already explained that in the automobile and auto parts negotiations the U.S.' overbearing attitude was conspicuous, but the way the Japanese side thrust back was not appropriate either. At the bottom of their psychology there must be a little of the patronizing sentiment of letting the U.S. use the base because it (the United States) needs it.

A report that effectively sends a shout of encouragement to that kind of interpretation by Japanese people and stresses that the security system is immeasurably important has appeared. It is a report titled *U.S. Security Strategy in the East Asia Pacific Region* that was published by the U.S. Defense Department last 27 February. Because the report was mainly the work of Assistant Deputy Secretary of Defense Joseph Nye (in charge of national security issues), it is commonly referred to as the Nye Report. Assistant Deputy Secretary Nye also wrote a paper with the title *In the Case of a Deep Relationship* that was published in the july and August issues of the magazine FOREIGN AFFAIRS. In both he places the greatest significance on the fact that the Japan-U.S. relationship has become the foundation for both pacific security policy and strategic targets of a global scale and proclaimed that the U.S. military, which has been decreased in East Asia in the past, will be maintained at the current scale of 100,000 troops. This would serve as a rebuke of Messrs. Mike Mochizuki, James Priestrap, and Roger Buckley because it says the Japan-U.S. security relationship is still as much a fire wall for trade friction as ever. The strange people having a pleasant conversation while kicking each other under the table certainly would have been exultant when reading the Nye Report, and would say, "I told you so."

To be frank, the Nye Report is devoid of originality. Because it was published when anti-Japanese sentiment in the United States and anti-U.S. sentiment in Japan was erupting when both parties just happened to be repeating provocative replies concerning the automobile and auto parts negotiations, for Japanese, who were talking tough even while nervously worrying inside about relations, it must have seemed like a great stroke of luck.

5. Warning to an "Ordinary Country"

Be that as it may, it is necessary to consider the reason why the Nye report was written at this time. The direct opportunity was a report on 12 August 1994 by the Defense Issues Council (chaired by Keitaro Iguchi) which is the private advisory body to the prime minister. The content is not anything particularly surprising to me, but it appears that its references to an "active, constructive security policy" and a "diversified security policy" were interpreted as evidence of a turn away from the United States. Actually, an American friend who is concerned with the U.S. Defense Department introduced me to a reference commentary called *Redefining the Japan-U.S. Alliance; Tokyo's National Defense Plan* issued in November 1994 by the National Defense University in Washington. It contained an English translation of the entire text of the Iguchi Report in addition to which was a commentary. One of the authors, Patrick Cronin, is a senior researcher at that same institute, and the other author is Michael Green, who spent five years in Japan researching diplomacy and defence policy and has numerous Japanese acquaintances.

The assertions of both these gentlemen attracted my interest on several aspects. I was particularly unable to restrain my surprise at the passage that says, "the Iguchi Report suggests a strategy of preventing a situation in which diversification (of security policy by Japan) causes the U.S. commitment to the alliance to weaken and the defense cooperation between the two nations might disintegrate." As far as I was concerned, the Iguchi Report was to be taken in a lighter vein of hesitantly advocating that Japan, which has been passive in the past, be more aggressive in venturing out to make international contributions in other areas besides financial affairs. However, could it be that in the United States the view is that Japan has begun to examine strengthening relations with other nations and international organizations besides the United States as insurance in the event that the United States leaves Asia? I do not know what portion of views in the U.S. Government Messrs. Cronin and Green represent, but I do know that Mr. Green is a Defence Department adviser. I have heard from a separate source that both participated in the creation of the Nye Report. My friend who gave me the pamphlet asserted that the motive for the Nye Report was the Iguchi Report. If that is so, it would not be a mistake to take the view that the Nye Report is an argument for emphasizing the Japan-U.S. relationship for the purpose of containing Japan's "turning away from the United States" or "independent movement."

There is a troubling section in Nye's paper in FOREIGN AFFAIRS magazine. It views as dangerous people who choose that "Japan be an 'ordinary' independent country equipped with military capability." What does Assistant Deputy Secretary of Defense Nye mean when he says, "One only hears few voices that are supportive of this way of thinking. There is a segment of people who advocate Japan becoming armed with nuclear weapons. However, Japan's analysts who examined this strategy in greater detail realized that in the event the neighboring nations were to counter by increasing their military strength to which Japan would have to respond, it would entail an absurdly high cost." It is clear that this is pointing to the "ordinary country" argument once stressed by Shinshinto's Secretary General Ichiro Ozawa, who deliberately put a quotation on being an ordinary country. This would lead to the conclusion that for U.S. policy makers represented by Assistant Deputy Secretary Nye, a Japan that is faithful to the United States, as it has been in the past, is most favorable.

Just 10 years ago in the September 1985 issue of SHOKUN! I wrote a piece called *The Distorted 'Yoshida Doctrine'* and explained the way of thinking of Japan's influential people who rush ahead to become an economic superpower while leaving our security to the United States. Although external factors, such as the Gulf war, have several times shaken the course of Japan endeavoring to achieve economic prosperity hinging on the Japan-U.S. Security Treaty in the framework of the Constitution; it is still regarded as the main current in Japanese society. Before one knew it the LDP [Liberal Democratic Party] which formerly had championed "constitutional revision" had suddenly transformed into an advocate "constitutional protection," and the SDPJ, which had loudly voiced its "opposition to the Security Treaty" changed its tune to "steadfast maintenance of the security arrangement" as soon as it assumed power. The current Murayama administration is precisely in accord with the aim of the Nye report of "protection of the Constitution" and "steadfast maintenance of the security arrangement."

There were some Japanese who noticed this. The United States was applying tangible and intangible pressure on a Japan that was excessively passive about making an international contribution. For all that, it became extremely cautions about it being too plucky and especially about arguments for independent defense. The bottle cap argument is based on a thorough distrust of Japan because when the cap of the bottle is removed the monster in the form of "military superpower" might jump out. One can see that this is the consistent theme of the Nye Report: a submissive Japan that is contained within upper and lower limits is preferable.

Mr. Patrick Buchanan, known as an isolationist even in the Republican Party was the first one in the long postwar Japan-U.S. relationship to openly make the argument of abolishing the Japan-U.S. security arrangement in the WASHINGTON POST dated 8 September 1991. Mr. Buchanan's paper was short and his explanation for why Japan and the United States should discontinue their alliance lacked persuasiveness. However, last February the influential Washington think tank "Kato Institute" in a policy proposal presented to the U.S. Congress said that within the coming three to four years the U.S. military will make a total withdrawal from Japan and South Korea, and the U.S. naval and air bases will shrink in the Pacific region and the ANZUS [Australia-New Zealand-U.S. Defense Pact] will disintegrate. It says that making new military agreements will be avoided. However, it does make recommendations for using caution, etc., against China and North Korea.

6. Readiness Toward Independent International State

The problem is the recognition of the situation that supports the proposal. After World War II, ensconced behind the shield of U.S. defense in East Asia, Japan became the second largest economic power in the world, and South Korea, Taiwan, and the Association of Southeast Asian Nations (ASEAN) are also singing the praises of economic prosperity. Russia is suffering from economic, ethnic strife, and military atrophy, and the former menace has become but a dream. China's military modernization merits caution, but the nation ruled by elder leaders has neither the will nor the capability of posing a serious threat to neighboring countries for the next several years. To be sure, North Korea has become a latent threat, but its blustering does not hold a candle to the former Soviet threat. Japan is feared by several nations but when one observes the situation with the split in national opinion concerning such small issues as whether to dispatch medical personnel during the Gulf war, whether to sustain Peacekeeping Operation (PKO) troops in Cambodia, etc., it is clear that there is not even one shred of a desire on the part of politicians or the people toward aggression or becoming a militaristic state. One of the objectives of the U.S. military's occupation of Japan was the containment of Japan, but it would be unthinkable that Japan could continue to endure permanent control by a foreign country.

The conclusion of the Kato Report is that "the United States, which over several decades has protected another nation from an enemy which now no longer exists, should develop a defense strategy in east Asia that yields the most benefits for the costs." Although there is some notable lack of refinement in its situation analysis of northeast Asia, there is absolutely none of the deep distrust of Japan of the Nye Report or argument about Japan becoming a military superpower which was former Secretary of State Henry Kissinger's stock argument. There are traces here and there in this Kato Report of Mr. Buchanan's isolationist tendencies, but there is one thread that runs consistently through it. There are quite a lot of common points in the perception of international affairs between Japan Policy Research Institute Director Chalmers Johnson's criticism of the Nye Report called *The Defense Department's Ridged Strategy* published simultaneously to the Nye paper's appearance in FOREIGN AFFAIRS and the Kato Report.

Because Mr. Johnson is a noted Japan basher, his insight as to what direction Japan will head in the 21st century is excellent. The Nye Report begins with the issue of the necessity of placing forward deployed troops in Japan and Korea at the annual cost of $35 billion. It concluded that the priorities forming the order in east Asia will shift significantly from military elements to economic elements, and that both Japan and Korea possess sufficient economic capability to maintain their own military troops. Mr. Johnson's argument sets forth that amid the balance of China, Japan, ASEAN toward the next century, will be natural for Japan to attain one leadership role, and as long as the United States is protecting Japan by the old security system of the Cold War era, a liberal democracy will not be cultivated in Japan. Although there is no clear definition given for "ordinary nation," it is safe to say that Mr. Johnson is expressing approval of this development.

Mr. Johnson strongly urges that in the current security treaty, although the United States holds itself responsible for security in the Korean peninsula, if the situation were to arise in which, because of its constitutional interpretation, Japan were to have to watch from the sidelines, etc., "the support of the American people for the United States sustaining the defense of Japan would instantly vanish." If I were an American I would probably criticize Japan even more harshly. The Johnson paper is proposing "constitutional reform," "revision" or even "abolition of the security arrangement." What is aimed at is an "ordinary nation." Though it is not clarified in his paper, according to previous Johnson explanations, I would venture to say that his idea of structural reform in Japan would mean an attempt to substantively change the current controversy in Japan about reform of the bureaucratic system, significant deregulation, etc.

Whether it be the Nye Report, the Kato Report, or the Johnson paper, they all are intended to serve the U.S. national interest. So authorities in the Government of Japan and the United States are following the lines of the Nye Report, and currently efforts will likely be made to quell the Kato Report and the Johnson paper.

This is because the vast majority of officials in the U.S. Government is convinced that it is in accord with U.S. national interest not to let Japan take its own path. However, how long after the end of the Cold War will the strange situation of trying to continue the alliance relationship with the economic friction and security completely separated last? There is no mistaking the fact that the new events will serve to light a fire in the U.S. Congress and public opinion.

Will the Japanese Government not react at all, as if it is insensitive to the new debate that is occurring among the citizens of the United States? The Foreign Ministry will probably do everything in its power to firm up the orientation of the Nye Report, but there will likely be no opinions issued from the political world. I would like to stress something here. There are those who will aim so-called anti-U.S. nationalism at the Johnson paper, but I think that is dangerous. If democratic nationalists or nationalists capable of global thinking who are "opposed to the security arrangement" as it exists today and who aspire to become a "UN Security Council member nation" and U.S. democratic nationalists or nationalists capable of global thinking could build a new alliance relationship and if Japan could set out to implement decisive reform while retaining its individual tradition, it has a future as an global nation. What I aspire to is not becoming an "ordinary nation" but to head out on a course toward becoming an "ordinary democratic country." There can still be salvation if the automobile and auto parts negotiations receive the future assessment of being a turning point for Japan-U.S. relations.

Tadae Takubo—Born 1933 in Chiba Prefecture. Graduated from Waseda University Law School. Worked as Washington bureau chief, overseas department manager and commentary committee member for Jiji Press, Ltd. Recently was a researcher at the U.S. Woodrow Wilson Institute. Books include Nixon and Diplomacy With China.

Kono Returns Home From Rabin's Funeral

OW0711234195 Tokyo KYODO in English 2308 GMT 7 Nov 95

[FBIS Transcribed Text] Tokyo, Nov. 8 KYODO — Foreign Minister Yohei Kono returned home aboard a government plane Wednesday [8 November] morning after attending a state funeral in Jerusalem for assassinated Israeli Prime Minister Yitzhak Rabin.

Kono represented Japan at the funeral instead of Prime Minister Tomiichi Murayama, whose tight political schedule prevented him going.

During the visit since Monday, Kono conferred with Israel's caretaker Prime Minister Shimon Peres.

Kono Meets OECD Chief, Pledges Contributions

OW0811084895 Tokyo KYODO in English 0810 GMT 8 Nov 95

[FBIS Transcribed Text] Tokyo, Nov. 8 KYODO — Foreign Minister Yohei Kono pledged Wednesday [8 November] that Japan will continue to make active contributions to the Organization for Economic Cooperation and Development (OECD) and said that as part of those, it wants to increase the number of Japanese staff at the body, a Foreign Ministry official said.

Kono made the pledge during a 20-minute meeting with Donald Johnston, who will become the new OECD chief in June.

According to the ministry official, there are about 40 Japanese staff working at the 2,000-strong OECD. But that number is low compared to Japan's financial contribution to the organization, which is the second largest among the members, the official said.

Johnston, who served as Canada's justice minister from 1984, agreed that it is necessary to increase the number of Japanese staff at the organization, the official said.

Also during the meeting, Kono told the new OECD chief that Japan will continue to extend official development assistance to developing countries, although Japan faces low economic growth and is suffering from the effects of the powerful Hanshin earthquake.

Johnston is visiting Japan from Monday through Saturday. He is scheduled to meet Trade Minister Ryutaro Hashimoto and Finance Minister Masayoshi Takemura, as well as other Japanese Government officials during his stay here.

Osaka Summit 'Crucial' to APEC in Philippines

OW0811011795 Tokyo KYODO in English 2317 GMT 7 Nov 95

[By Maria Teresa Villanueva-Cerojano; 12th in a series on Osaka APEC talks: "Osaka Summit Seen Crucial to '96 Summit in Philippines"]

[FBIS Transcribed Text] Manila, Nov. 8 KYODO — As host of the 1996 Leaders Meeting of the Asia-Pacific Economic Cooperation (APEC) forum, the Philippines is pinning its hopes on a successful APEC summit in Osaka in November.

The Osaka dialogues will determine the issues the Philippines will take care of as chairman next year, when the framework for liberalization called the Action Agenda will be fleshed out.

And as Philippine officials point out, a successful summit this year will ensure smooth sailing when Manila takes the helm of the forum in 1996.

President Fidel Ramos and his delegation, therefore, will go to Osaka on their tiptoes, mindful of not ruffling any feathers that might threaten the success of the 1996 summit.

A senior official also said that while the Philippines has its own sensitivities, "We do not articulate it because we will be chairman next year."

Ramos says he is taking a middle-of-the-road stance in Osaka, where the question of exempting or excluding sensitive areas like agricultural products from full liberalization is expected to divide the forum's 18 member economies.

While countries like the United States and Australia are demanding there be no exemptions, some members, particularly Japan, South Korea, Taiwan and China, are calling for special treatment for farm areas in the action agenda — a set of trade and investment liberalization guidelines to be implemented in the region by 2020.

"The Philippines would want APEC to succeed in 1995 and 1996," Ramos told KYODO NEWS SERVICE in an interview. "If we do not succeed and stay together in 1995 this will be very difficult for us in 1996."

"Perhaps we should look at the middle," he said, adding that "it's not just us who are saying this, the other developing countries would want a more moderate kind of transitioning to take place."

Ramos said the Philippines would be prepared to suggest some middle courses for the Action Agenda which could suffice as short-term solutions.

The Action Agenda and so-called down payments to be laid down in Osaka are expected to have an impact on the Philippines, which aspires to be the region's next tiger economy by the turn of the century after almost three decades of being "the sick man of Asia."

The country's present trade and investments are already heavily tied to the Asia-Pacific economies.

Trade Secretary Rizalino Navarro says 77 percent of the country's total trade of 34.8 billion dollars in 1994 was with APEC members.

"It is a much bigger market for exports than imports and more importantly, gave the Philippines a 5.2 billion dollar favorable balance of trade" in 1994, Navarro told a forum of foreign business leaders recently.

He also said APEC accounted for 70 percent of the foreign investment inflow to the Philippines last year — one-third of which came from the U.S. while the rest came from Hong Kong, Taiwan, Japan and other members of the Association of Southeast Asian Nations (ASEAN).

Besides the bigger market that APEC provides, Foreign Undersecretary Federico Macaranas said the Philippines' interests in APEC are centered on human resources development and the development of small and medium enterprises.

As a major labor exporting country where half of the population lives in poverty, the Philippines sees APEC as a vehicle to uplift and empower its poor, said Macaranas, who heads the Philippine delegation to APEC senior officials meetings.

Julius Caesar Parrenas, director of the University of Asia and the Pacific's Institute for International and Strategic Studies, says APEC is more crucial to the Philippines in the long term, since the forum is beginning to move toward liberalization in the next decade.

"For the medium term, the impact on the Philippines is not much, but maybe there will be some benefits if there is a decision to hasten the Uruguay Round commitments," he told KYODO, explaining that this will give the Philippines better market access to certain countries.

Within the next five to six years, however, APEC will pave the way for a fully open market at a time when the Philippines would be in full gear to compete with the rest of its neighbors, Parrenas said.

Macaranas, meanwhile, is upbeat on the prospects for the Philippines in Osaka.

"In Osaka, when the commitments are made, we should get something good," he said.

"I think because of the things we have heard in the meetings, the developments are really good," he said, noting that "there are many countries already liberalizing faster than we had expected."

Hong Kong Needs 'Flexibility' in Free Trade

OW0811002395 Tokyo KYODO in English 2323 GMT 6 Nov 95

[By Pilar Pereyra; 11th in a series on Osaka APEC talks: "H.K. and APEC Go Hand in Hand"]

[FBIS Transcribed Text] Hong Kong, Nov. 7 KYODO — The purpose of the Asia-Pacific Economic Cooperation (APEC) is still confusing to many people, but in Hong Kong, APEC just means more business, and thus, full support to APEC's goal and purpose can clearly be found.

Terms in the APEC agenda such as "concerted unilateral approach," "flexibility principle" and "nondiscrimination" puzzle many, but what these terms actually mean will lead Hong Kong, one of the most advanced and open economies in APEC, to greater business opportunities.

A key APEC concept, "concerted unilateral approach," calls for trade liberalization and facilitation to be carried out on the basis of a cooperative and volunteering spirit, rather than binding rules and regulations.

"The whole concept of APEC is voluntarism," says Tony Miller, Hong Kong's director general of trade and chief negotiator.

"We agreed we should use a positive approach and the term that was being used in concerted unilateralism," he said in an interview with KYODO NEWS SERVICE.

Miller said Hong Kong gives full support to this new mode of negotiation as it is less confrontational than formal negotiations and quicker results are possible.

Another principle to which Hong Kong gives complete support, but is currently is still in dispute, is the "flexibility principle."

"Problems are still there — how do you define flexibility? How do you tie down the guidelines for different sectors to deal with flexibility?" Miller asked.

APEC has established a deadline for free trade and investment — 2010 for developed countries and 2020 for developing countries. The flexibility principle allows a member economy to determine how and when to liberalize a certain sector of its economy before the deadline.

But just how much movement should be allowed within the flexibility principle is the source of tension.

Hong Kong's problem with flexibility lies in the telecommunication sector. Miller feels that because different countries have different political timetables, flexibility is needed.

"Some things you can't do at certain times, and we can just give a Hong Kong example," he said. "On telecommunications, we have deregulated the domestic telecom sector, but (for) the international calls, we are locked into a franchise, which extends to 2006."

Miller adds that even if all the member economies wanted the international calls completely deregulated, for Hong Kong it would be impossible, and this is where flexibility has a role to play.

Another area of concern with Hong Kong is the suggestion of having an APEC arbitration court.

Although Hong Kong is not against an APEC arbitration court, it is against having rulings extended beyond the 18 months' time frame already in place in the world trade organization, he said.

"We are not in any way against APEC developing a form of dispute mediation or arbitration," Miller said. "What we don't want to see is anything happening which would result in the 18 months being extended or duplication of the process."

The area that most concerns Hong Kong, both the public and private sectors, is the nondiscrimination principle, he said.

"Something which is sacred for us is nondiscrimination. We're concerned about the possibility of APEC turning into a trade bloc," said Miller.

Sarah Sau Tung Liao, former representative for Hong Kong in the 1994 APEC Pacific Business Forum said, "In general, the business community would not like to see APEC become like (the European Union). We don't want to see subsidized trade coming to APEC."

The nondiscrimination principle would allow trade benefits to nonmembers on an unconditional most-favored basis, meaning giving a trading partner the best terms of trade available.

However, some member economies feel trade should be on a strictly reciprocal basis and should have no free-riders — those who want to feed on APEC's trade benefits while keeping their own markets closed.

Despite these concerns raised by Hong Kong, Miller pointed out the positive aspects of APEC and how it will benefit Hong Kong.

"There are some things which tend not to be reported, which are actually very positive for businessmen," he said. "In layman's terms what we're trying to do is cut red tape and bring down bureaucratic barriers and bureaucratic delays."

Hong Kong's support for and confidence in APEC appears unwavering, both in the public and private sectors.

Liao said, "As a Hong Kong business community, we are used to free trade and we're certainly supportive of APEC and its goals."

To sum up where APEC stands, Miller offered an Arabic expression, not only for Hong Kong but for the rest of the 18 members as well — "Trust in god, but tie up your camel."

"We've all decided we're going to trust in God and in each other, and we're now finding out how to tie the camel down — these specific principles," Miller said.

Tokyo Decides on APEC Farm Sector Exclusion

OW0811121495 Tokyo TOKYO SHIMBUN in Japanese 3 Nov 95 Morning Edition p 9

[FBIS Translated Text] The government confirmed on 2 November that it will call for "exempting the agricultural sector from liberalization" at the Osaka Asia-Pacific Economic Cooperation [APEC] forum scheduled to open in two weeks. Whether or not to exclude agricultural products from liberalization is the main focal point in preparing the "action guideline" aimed at showing the path to trade and investment liberalization in the APEC area. The government has decided so in response to the ruling parties' strong claims. It seeks to persuade member countries to support Japan's stand both at ministerial meetings on 16 and 17 November on the "action program" and at an 18 November informal summit. However, member nations are likely to have difficulty in arranging their views at the Osaka forum because the majority still oppose allowing exceptions.

With the Osaka forum at hand, "the Liberal Democratic Party [LDP] Diet members, who have a special interest in the farm and fisheries sectors, have forced the government to demand that farm trade be treated as an exception to liberalization" (as stated by a senior Ministry of International Trade and Industry [MITI] official).

A 2 November meeting of the LDP special committee on measures for farm, forestry, and fisheries trade turned into a "rally," in which Diet members, who have a special interest in those sectors, showed their "resolve" toward the Osaka APEC forum in front of officials at the Ministry of Foreign Affairs [MOFA], MITI, and the Ministry of Agriculture, Forestry, and Fisheries.

The committee reached the following agreements: 1) It is impossible to achieve complete liberalization in all sectors by 2020 (for industrialized nations by 2010); 2) since Japan already accepted partial liberalization of rice trade at the Uruguay Round talks (multilateral trade talks), further liberalization would invite people's distrust of agricultural policy and politics; and 3) liberalization procedures after 2000 should be discussed at the World Trade Organization. Participants urged that the government should not use in the "action guideline" wording hinting at frontloading Uruguay Round accords.y

Following this, the government will seek understanding of each APEC member country and region by changing the wording of the host country's proposal presented at the recent APEC senior officials meeting in Tokyo into an "equivocal" expression so that "countries and regions supporting or opposing exceptions can make interpretation that is convenient for each of them."

The "liberalization without exceptions" principle was included in the Bogor Declaration released at the last forum in Indonesia. It is certain that even if Japan merely "changes the expression," it will enhance the impression that "the action guideline is watered down at the Osaka forum."

In addition, some countries still voice strong opposition. A MITI senior official said, "the government and LDP outlook that some nations have softened their stance is too optimistic." Some LDP members have suggested several choices, such as "deciding to shelve this matter at the last moment, and making the action guideline include opinions supporting or opposing this idea." The MOFA said, "We cannot tell what will happen until the ministerial meeting opens." Thus, some officials concerned believe that Japan will find itself standing in a highly awkward situation.

Minister Retracts Remarks About Colonial Rule

OW0811055995 Tokyo KYODO in English
0355 GMT 8 Nov 95

[FBIS Transcribed Text] Tokyo, Nov. 8 KYODO — Management and Coordination Agency Chief Takami Eto on Wednesday [8 November] retracted remarks he made about Japan's colonial rule in Korea, saying he regrets the "misunderstanding" they caused.

"I withdraw my remarks. I regret that they have invited a misunderstanding although they were made off the record," he said.

Eto told a press conference that he was only referring to the words of a friend in the remarks at an off-the-record meeting with Japanese reporters.

The South Korean newspaper DONG-A ILBO reported Wednesday that Eto had told reporters Oct. 11 that during the period of colonial rule, Japan did some good things in Korea, such as building schools, railroads and ports.

The paper said it learned of the content of his remarks through the testimony of several Japanese reporters who attended the meeting with Eto.

Before the press conference, Eto met Chief Cabinet Secretary Koken Nosaka to explain his remarks.

Eto reportedly told Nosaka that his remarks were misunderstood, adding he is not opposed to Prime Minister Tomiichi Murayama's Aug. 15 statement, which admitted a mistake in Japan's diplomatic policy before and during World War II.

Nosaka, the government's top spokesman, cautioned Eto against making careless remarks even on an unofficial occasion and did not rule out the possibility of Eto being asked to resign.

"We would like to make a conclusion as quickly as possible over the steps we should take," Nosaka told a news conference.

The spokesman said when he reported on Eto's account, Murayama urged him to probe the matter more thoroughly but with care.

"This is a crucial issue for the entire cabinet, too. We need to be careful in dealing with it," the premier was quoted as saying.

Eto also gave an account of his remarks to International Trade and Industry Minister Ryutaro Hashimoto, president of the Liberal Democratic Party (LDP), and other senior LDP officials. Eto is an LDP member.

Hashimoto has said he did not intend to raise the question of Eto's resignation, LDP sources said.

Some government officials, however, voiced concern that the affair could develop into another thorny diplomatic issue unless the government takes some definite step.

A South Korean diplomatic source in Tokyo said Seoul will not make a serious issue out of Eto's remarks, noting that they were unofficial and do not carry as much weight as those of Murayama.

At a House of Representatives committee meeting, Eto denied any intention to step down, saying "I don't believe I made wrong remarks."

The main opposition party Shinshinto (New Frontier Party) said it is going to grill the Murayama administration over Eto's remarks.

Kozo Watanabe, a senior policy-making official of Shinshinto said it is a very serious matter for a cabinet member to have a view of Japan's wartime history that is quite the opposite of that of the premier.

The reports on Eto's remarks just before the Asia-Pacific Economic Cooperation summit meeting in Osaka will have a seriously damaging effect, Watanabe said at a press conference later.

"We will pursue the affair thoroughly if the prime minister lets it pass," he said.

Nosaka said in a press conference later in the day that Japan will draw a conclusion itself as quickly as possible, regardless of South Korea's reaction to Eto's remarks.

Nosaka said Murayama will make a final judgment after careful consideration of the situation surrounding Eto's remarks.

"We don't think we should draw a conclusion in compliance with South Korea's request. The Japanese Government should make a judgment on its own," Nosaka said.

Talks on Distribution, Economic Issues With PRC

OW0811125395 Tokyo KYODO in English 1140 GMT 8 Nov 95

[FBIS Transcribed Text] Tokyo, Nov. 8 KYODO — Japan and China exchanged views on distribution-sector issues and the economic situation of both countries during two days of talks that wrapped up Wednesday [8 November] in Tokyo, Japanese Government officials said.

China expressed its desire to attract more foreign capital to its retail sector during the talks, the officials said.

Fourteen joint-venture companies are now doing business in China's retail sector, with investment from Japan, Thailand, Singapore and Malaysia. China opened the sector to foreign investment in 1992.

Japan explained about the role to be played by a government in the distribution sector under the free-market economy system, the officials said.

China showed a strong interest in Japan's Antimonopoly Law as it is now preparing for its own version of antimonopoly legislation, they said.

China said the price formation for 95 percent of consumer goods has already been left to market forces through reform efforts that started around 1980 in the distribution sector, the officials said.

Because China lacks an antimonopoly law, however, there are problems such as the cornering or holding back of products, the Chinese side said, according to the officials.

At the talks, China also talked about the outcome of the current five-year economic plan for 1991-1995 and future prospects under the next five-year plan and its long-term plan until 2010, they said.

Japanese participants in the talks were headed by Makoto Kobayashi, vice minister of the Economic Planning Agency, while the Chinese side was led by Hao Jianxiu, vice minister of the State Planning Commission.

Before holding talks with the Japanese side, Hao spent one week visiting distribution facilities of Seiyu Ltd., Jusco Co. and Mitsubishi Corp.

Burma Urged To Improve Human Rights Record

OW0711151595 Tokyo KYODO in English 1401 GMT 7 Nov 95

[FBIS Transcribed Text] Tokyo, Nov. 7 KYODO — Japan reiterated its call on Burma on Tuesday [7 November] to clarify its commitment to promoting democratization and to take specific measures to improve its human rights record, a foreign ministry official said.

Parliamentary Vice Foreign Minister Yasuo Fukuda made the call during an hour-long meeting with visiting Burmese Foreign Minister Ohn Gyaw.

Since the release of pro-democracy leader Aung San Suu Kyi, Japan has reviewed its aid policy toward Burma and decided to give economic aid to the country on a case-by-case basis, Fukuda was quoted as telling the Burmese foreign minister.

Japan made this decision in the hope that Burma would make further progress on democratization and human rights, Fukuda was quoted as saying, adding that Tokyo will decide whether to resume official yen loans to Burma by taking this issue into account.

Japan suspended official development assistance to Burma after a military coup in 1988 and has limited its aid to small-scale humanitarian aid.

In the wake of Suu Kyi's release, Japan partially lifted the freeze and decided to offer grants-in-aid to Burma. Last week, it granted 1.62 billion yen to finance a nurse training program.

Fukuda told Ohn Gyaw that Japan, in line with this aid policy, plans to send a mission to Rangoon during this fiscal year to explain its guidelines for extending official development assistance (ODA) and its aid scheme, the official said.

Burmese Junta: Making Progress

OW0811041195 Tokyo KYODO in English 0319 GMT 8 Nov 95

[FBIS Transcribed Text] Tokyo, Nov. 8 KYODO — Myanmar's [Burma] ruling military junta told Japan on Wednesday [8 November] it is making steady progress in promoting democratization and national reconciliation and that it will consider holding dialogue with pro-democracy leader Aung San Suu Kyi in the future.

Myanmar's Foreign Minister Ohn Gyaw told Japanese Foreign Minister Yohei Kono that Yangon [Rangoon] now stands at an important and sensitive time regarding its process to achieve democratization and enact a new constitution. But he added that Myanmar places top priority on national reconciliation in such a process, a Japanese Foreign Ministry official said.

Ohn Gyaw also told Kono that the government is maintaining contact with Suu Kyi, who was released from six years of house arrest in July, the official said.

He was quoted as saying the junta will consider meeting Suu Kyi "at an appropriate time in the future" if she pledges to make a "meaningful and constructive contribution" to the country.

Kono told Ohn Gyaw that Japan will closely watch the national convention to be held by the junta, known as the State Law and Order Restoration Council (SLORC), later this month to draft a constitution.

The Japanese foreign minister noted the importance for Myanmar to reflect various opinions when drafting a new constitution.

Suu Kyi's National League for Democracy won an overwhelming victory in 1990 general elections but the junta refused to hand over power. The military seized power in a 1988 coup.

Ohn Gyaw said at a press conference at his embassy in Tokyo that Myanmar will send a highest-level delegation to a summit in Bangkok of the Association of Southeast Asian Nations (ASEAN) in December, indicating that SLORC head Lt. Gen. Than Shwe will represent the country.

Myanmar has been invited, along with Laos and Cambodia, to the summit of top leaders from ASEAN's seven member nations — Brunei, Indonesia, Malaysia, the Philippines, Singapore, Thailand and Vietnam.

Murayama, Suharto Talks on East Timor Urged

OW0811080895 Tokyo KYODO in English 0738 GMT 8 Nov 95

[FBIS Transcribed Text] Tokyo, Nov. 8 KYODO — Six lawmakers urged Prime Minister Tomiichi Murayama on Wednesday [8 November] to tell Indonesian President Suharto that Japan wants to see a peaceful solution to the East Timor issue.

The suprapartisan group of six Diet members concerned about the East Timor issue, led by Tomiko Okazaki, a Social Democratic Party member of the House of Representatives, called on Murayama to convey the message to Suharto when they meet during the Asia-Pacific Economic Cooperation summit meeting in Osaka next week.

Murayama said, "I understand your feelings very well," according to the lawmakers.

Indonesia invaded East Timor in 1975 and annexed it the following year, calling it the country's 27th province. The United Nations, however, does not recognize the annexation, and the often bloody conflict between the government and local residents still continues.

Daiwa Told To Cut International Lending Balance

OW0811102895 Tokyo KYODO in English 1011 GMT 8 Nov 95

[FBIS Transcribed Text] Tokyo, Nov. 8 KYODO — The Ministry of Finance (MOF) will instruct scandal-tainted Daiwa Bank to slash the balance of loans and securities holdings related to international operations by more than 40 percent from the current level, ministry officials said Wednesday [8 November].

The instruction is part of punitive measures the ministry outlined recently against the cover-up of about $97 million in trading loss by Daiwa's U.S. subsidiary Daiwa Bank Trust Co., the officials said.

Because of Daiwa Bank's action — violating the foreign exchange control law — global confidence in the bank has been undermined, the officials said.

Daiwa Bank's lending balance and securities holdings in its international business stood at around $24 billion and $5.5 billion, respectively, as of the end of September.

About 15 percent of the combined sum is related to U.S. operations.

Daiwa Bank will be asked to craft a specific plan for the asset reduction by Nov. 20 and the Finance Ministry will require the bank to report every week whether or not the reduction target has been achieved until the step's expiry in October next year.

Part of loans and securities to be shrunk will be taken over by Sumitomo Bank, which will replace Daiwa's U.S. operations after its withdrawal from the United States by Feb. 2 next year in line with an order by the Federal Reserve Board, the officials said.

Source: Daiwa Bank To Cut Year-End Dividends

OW0811113595 Tokyo KYODO in English
1048 GMT 8 Nov 95

[FBIS Transcribed Text] Osaka, Nov. 8 KYODO — Scandal-ridden Daiwa Bank plans to cut year-end dividends for fiscal 1995 by 0.50-1.00 yen from 3.50 yen per share, financial sources said Wednesday [8 November].

The Osaka-based bank has been ordered to withdraw its U.S. operations by Feb. 2 next year over its attempt to cover up a loss of 1.1 billion yen [as received] incurred in unauthorized bond trading at its New York branch over the past 11 years.

Bank officials said the company planned to write off the loss with earnings from its core banking business and sales of property in the April-September first half of fiscal 1995.

Eight of 11 major Japanese commercial banks pay annual dividends of 8.50 yen per share while Daiwa and Asahi Bank pay 7.00 yen per share.

Daiwa's dividend will slide to around 5.00 yen per share, equaling the level of Hokkaido Takushoku Bank, the sources said.

Takemura Discusses Revenue Shortfall in FY96

OW0811082395 Tokyo KYODO in English
0811 GMT 8 Nov 95

[FBIS Transcribed Text] Tokyo, Nov. 8 KYODO — Japan will face a significantly large revenue shortfall in fiscal 1996, which starts next April, Finance Minister Masayoshi Takemura said Wednesday [8 November].

"A significant gap between expenditures and revenues is unavoidable (in compilation of next year's national budget)," Takemura told a news conference.

Takemura said such a gap will stem from declining tax revenues in the current fiscal year.

The Finance Ministry already estimates this year's tax revenues will fall short of the targeted 53.59 trillion yen by about 2 trillion yen, reflecting falling corporate tax collection amid the slumping economy.

This year's tax revenue will form the basis for next year's budgetary compilation.

Takemura said the ministry will unveil a framework for the fiscal 1996 budget next week.

Takemura was noncommittal about whether or not the expected revenue shortfall should be bridged by the issuance of deficit-covering government bonds.

He only said the ministry utilized "every available means" last year to make up for an expected gap of 7 trillion yen for the current fiscal year.

In the original fiscal 1995 budget, deficit-covering bonds were floated.

"Last year's experience should be taken into account in the formation of the fiscal 1996 budget," Takemura said.

Petrochemical Firms Said Entering Asian Markets

OW0811090895 Tokyo KYODO in English
0827 GMT 8 Nov 95

["News Focus" by Yoichi Kosukegawa: "Japanese Firms Eager To Tap Asian Markets Amid Yen Rise"]

[FBIS Transcribed Text] Tokyo, Nov. 8 KYODO — Japanese petrochemical companies have become eager to develop markets in Asia amid the yen's appreciation against the dollar and Asian nations' moves to attain self-sufficiency in petrochemical products.

Also behind the enthusiasm is increasing competition from their U.S. and European counterparts in the region.

In particular, Japanese companies are lagging behind U.S. and European companies in the Chinese market that has huge growth potential, industry sources said.

Asahi Chemical Industry Co., along with Dow Chemical Co. of the United States, is now conducting surveys in China on demand there for petrochemical products and a possible factory site.

The two companies set up a joint-venture company in Hong Kong last August to sell polystyrene, a rigid thermoplastic used in molded products, foams and sheet materials.

The joint venture, Asahi Chemical Industry (Hong Kong) Ltd., has drawn attention in the industry since it was set up by the leading Japanese and U.S. chemical companies.

The venture is intended to supply products to Japanese companies shifting production to the Asian market amid the yen's rise.

But industry sources say the joint venture is apparently seeking to become the first Japanese-invested firm to build a resin material plant in China.

An official at the Japan Petrochemical Industry Association said, "Japanese petrochemical makers are now being forced to make a difficult decision to keep their international competitiveness."

Production shifts overseas will lead to the closure of domestic plants and personnel cutbacks, but the current circumstances will not allow them to keep production at home, the association official said.

"Since an increasing number of Japanese automakers, consumer electronics makers and other major purchasers of petrochemical products are shifting production to Asian markets, chemical makers have to move their production base to the region," the official said.

Japanese companies have been so far reluctant to step up investment in the Chinese market for fear of business risks.

Exposed to increasing competition from U.S. and European companies, however, Japanese chemical companies are expected to review their investment strategy, the association official said.

According to industry sources, Asian countries' moves to produce petrochemical products by themselves have been accelerating moves among Japanese chemical companies to advance into the Asian markets.

For example, Showa Denko K.K. owns 5 percent of a petrochemical complex which started operations in Indonesia last September. Showa Denko provides technical cooperation to production of ethylene and polyethylene at the complex.

Indonesia is eager to foster the petrochemical industry, and Showa Denko's participation in the resin production project is apparently intended to establish a foothold in Indonesia, industry sources said.

Among other Japanese chemical companies, Idemitsu Petrochemical Co. and Mitsubishi Chemical Corp. are doing joint-venture business with U.S. and European makers in Malaysia and Singapore respectively.

The association official said the number of Japanese companies advancing into Southeast Asian markets is now surpassing that of their U.S. and European counterparts.

But U.S. and European companies are now rapidly catching up with Japanese companies, he said.

According to figures by the Ministry of International Trade and Industry, consumption of petrochemical products in Asia, excluding Japan, is estimated to account for 25 percent of worldwide consumption in the year 2000, making the Asian markets equivalent to the U.S. market.

An executive at a major chemical company said, "tough competition for Asian-market share will be settled over the next few years."

"Fighting among Japanese, U.S. and European companies for Asian market-share control will stiffen further," he said.

Market Research Firms Emphasizing Asian Markets

*OW0711135695 Tokyo KYODO in English
1222 GMT 7 Nov 95*

[FBIS Transcribed Text] Tokyo, Nov. 7 KYODO — Japanese market-research institutions are placing more emphasis on surveys in Asian countries with an increase in the number of Japanese companies seeking to advance into those markets, industry sources said Tuesday [7 November].

An increasing number of companies are asking research institutions for market surveys in China and Southeast Asian countries, the sources said.

Previously, survey requests focused on the U.S. And European markets, they said.

According to data by Dentsu Research Inc. and other institutions, survey requests for Asian markets posted a year-on-year increase of 35-40 percent over the past few years. So far this year, survey requests for Asian markets have numbered 50-60, more than twice the number for the U.S. and European markets, they said.

As survey areas, China, Thailand, Malaysia and Taiwan have been popular recently, replacing Hong Kong and Singapore, industry sources said.

Japanese companies have also begun to request surveys in Vietnam and Burma with an improvement in their ties with western nations, the sources said.

Survey requests have been coming mainly from automakers and consumer electronics companies, they said, adding that food makers and cosmetics products manufacturers are increasingly showing an appetite for the Asian markets.

Surveys in Asian countries are usually conducted by visiting research and polling firms.

"The spread of telephones differs from region to region and according to social class, and it is difficult to expect answers by mail," said an official at Nippon Research Center.

Researchers in the Asian markets have difficulties in reaching interviewees partly because resident registers and detailed maps are not easily available, the official said.

The sources also pointed out that Japanese research institutions are lagging behind their U.S., European and Australian counterparts in surveys in Asian markets.

Japanese institutions are now promoting efforts to catch up to their rivals, including training locally hired staff in Japan, the sources said.

NTT Renews 'Attack' on Breakup Proposal

OW0811084795 Tokyo KYODO in English
0802 GMT 8 Nov 95

[FBIS Transcribed Text] Tokyo, Nov. 8 KYODO — Nippon Telegraph and Telephone Corp. (NTT) on Wednesday [8 November] renewed its attack on a government proposal to break it up into various regional companies, saying its drastic plan to slash its workforce by one-quarter is contingent on a halt to its forced disintegration.

NTT President Masashi Kojima told a news conference, "if the breakup plan is formalized, this (rationalization) plan will also be altered." The breakup plan is under discussion at an advisory panel to the posts and telecommunications minister.

Kojima made it clear that the rationalization plan is conditional, immediately after he formally announced the plan to ax 45,000 of its 195,000 workforce in five years.

Kojima said the division of the telecom giant would cause it to rack up losses and may force it to increase the fees it charges to rival long-distance telephone firms for allowing them to use local NTT-operated telephone networks to reach their subscribers.

His remarks come only a week after NTT and its three rivals — DDI Corp., Japan Telecom Co. and Teleway Japan Corp. — agreed to a 17 percent cut in the "access charge" to 10.46 yen per three minutes.

"If we can remain profitable after the breakup, we will allow them to pay a sum just equivalent to our costs," he said. "But if we fall into the red after the breakup, we may demand that they shoulder our losses in the form of a higher access charge."

Kojima said half of the 45,000 jobs will be shed through automatic retirement of elderly workers, cuts in the number of new university graduates to be hired and helping NTT workers move to other companies without financial ties with NTT.

The remaining half will be cut by forming new subsidiaries that will engage in existing or new fields of telecom-related businesses, such as the multimedia business, and transferring NTT workers to such subsidiaries or affiliates, he said.

Kojima refuted criticism that such transfers to subsidiaries would not amount to rationalizing NTT operations or boosting its financial efficiency, as NTT will have to continue to finance the salaries of such transferred workers.

He called attention to NTT's plan to annually cut by 2.5 percent its corporate budgetary assistance, including personnel costs, to such subsidiaries.

FTC Fines Contractors for Bid Rigging

OW0811115695 Tokyo KYODO in English
1017 GMT 8 Nov 95

[FBIS Transcribed Text] Tokyo, Nov. 8 KYODO — The Fair Trade Commission (FTC) has ordered 106 construction companies to pay a total of 1,488.25 million yen in fines for a series of bid-rigging, commission officials said Wednesday [8 November].

The officials said the contractors, belonging to a construction industry association in Utsunomiya, just north of Tokyo, were blamed for repeated illegal practices in connection with the city's public works projects between April 1992 and December 1993.

The penalty is the country's second largest next to 1,863.61 million yen imposed on a group of contractors in Yamanashi Prefecture, west of Tokyo, for similar reasons, the officials said.

They said the contractors in Utsunomiya designated the bid winners in pre-tender negotiations in a total of 1,400 public works projects worth a total of about 48.9 billion yen.

The FTC order followed a warning against the association in November over a suspected violation of the Antimonopoly Law after the fair trade watchdog conducted an inspection of the association in March last year.

NEC Grants Microcomputer License to Samsung

OW0811120395 Tokyo KYODO in English
1006 GMT 8 Nov 95

[FBIS Transcribed Text] Tokyo, Nov. 8 KYODO — NEC Corp. said Wednesday [8 November] it has agreed on a technical tie-up with Samsung Electronics Co., the biggest semiconductor maker in South Korea, in the field of 16-bit microcomputers.

It is the second technical cooperation between NEC and Samsung, following one concerning 256 megabit

DRAM's [Dynamic Random Access Memory] agreed in February last year, a company official said.

Under the agreement, NEC will allow Samsung to produce two series of NEC-developed 16-bit microcomputers under license — the 78 K III series and the 78 K IV series, said the official.

The 16-bit microcomputers are mainly used for air-conditioners and videocassette recorders, and the four major makers in Japan and the United States including NEC hold dominant positions in the global market.

Each of the four has its own standard of microcomputer and there is no interchangeability among them.

NEC's share of the global market currently stands at about 20 percent, but it aims to raise it to more than 30 percent within two or three years, including the licensed production by Samsung, the official said.

Rice Growers Urge Continuation of Subsidies

*OW0811080995 Tokyo KYODO in English
0743 GMT 8 Nov 95*

[FBIS Transcribed Text] Tokyo, Nov. 8 KYODO — Some 1,000 rice producers held a rally in Tokyo Wednesday [8 November] to urge the government to peg subsidized rice prices at current levels and pay greater compensatory allowances to farmers who agreed to suspend production at some of their paddy fields.

The rally was organized by the Central Union of Agricultural Cooperatives (Zenchu), the mammoth national grouping of farmers affiliated with agricultural cooperatives.

Zenchu Chairman Hakaru Toyoda told the rally, "(Rice) producers are concerned whether the revised Food Control Law can fully function as a system to stabilize supply and demand for rice and prices."

Under the new food law which took effect last Wednesday, the government should show the outline of its agricultural policy as early as possible, Toyoda said.

The rally adopted a resolution pledging Zenchu's efforts to obtain greater subsidies and have the government maintain its rice purchase prices at current levels.

The resolution also urged the government to pay special heed to agriculture at the trade liberalization talks of the Asia-Pacific Economic Cooperation (APEC) forum in Osaka later this month.

Panel Urges Revision of Clinical Trial Laws

*OW0611143595 Tokyo KYODO in English
1417 GMT 6 Nov 95*

[FBIS Transcribed Text] Tokyo, Nov. 6 KYODO — A Health and Welfare Ministry panel recommended Monday [6 November] that the ministry study the safety of clinical tests by medicine makers before such tests begin and order the cancellation of such tests if they are risky.

The ministry's panel on securing the safety of medicine called on the ministry to revise related laws pertaining to clinical tests on new medicines, officials said.

The ministry will submit bills to revise the laws next year, the officials said.

The panel was set up after 15 people died from side effects due to the medicine sorivudine, used to treat shingles, which had been on the market only 40 days after its release in 1993 when the deaths occurred.

To obtain approval on a new medicine, a company must submit data from human tests to the ministry. At present, however, the ministry only receives reports from companies that they will start conducting clinical tests and do not conduct any pre-study of the tests.

Hashimoto Resigns Post as Chairman of WBA

*OW0811053095 Tokyo KYODO in English
0449 GMT 8 Nov 95*

[FBIS Transcribed Text] Tokyo, Nov. 8 KYODO — Liberal Democratic Party (LDP) President Ryutaro Hashimoto said Wednesday [8 November] that he resigned his post as chairman of the Japan War-Bereaved Association [WBA], a major supporter of the party, in late October.

Hashimoto, who is also trade and industry minister, told a press conference that he had decided to quit the post as of Oct. 31 because of "inconvenience" he was causing the association.

Hashimoto made the decision because in his capacity as LDP president, he may differ on a number of issues with the association, particularly over matters related to historical interpretations of Japan's role in World War II, political analysts said.

The association, established in 1947, represents the interests of 1.1 million households of relatives and family members of the war dead.

Hashimoto became its chairman in may 1993.

Ozawa Hospitalization Causes 'Uneasiness' in NFP

OW0811121695 Tokyo YOMIURI SHIMBUN in Japanese 7 Nov 95 Morning Edition p 2

[FBIS Translated Text] In response to Secretary General Ichiro Ozawa's checking into a Tokyo hospital, the New Frontier Party [NFP] leaders held two meetings on 6 November to discuss the operation of the party administration during his hospitalization.

At the meetings, NFP President Toshiki Kaifu confirmed his responsibilities for Diet operations during Ozawa's leave. Acting Secretary General Takeo Nishioka was assigned to take over opinion coordination to create rules for choosing party leaders by allowing nonmembers' participation in the election — the plan the NFP intends to officially endorse on 20 November. Also assigning President Kaifu to take command of campaigns for the Saga Prefecture House of Councillors by-election, whose voting date is 19 November, the NFP is ostensibly assuming a calm air, saying: "His absence will have no impact on party operations" (Nishioka).

However, since the NFP has received no detailed explanation on Ozawa's condition, it has caused uneasiness in the party.

On the afternoon of the same day, Nishioka told a news conference held after the leaders' meetings: "He was hospitalized for fatigue, and will need several days before discharge." When trying to contact Ozawa, Kaifu only received a message from his wife that claimed "hospitalization for fatigue." This is the information the NFP has so far obtained concerning Ozawa's condition.

NFP policy says that in Ozawa's absence, the acting secretary general will take over his duties. Despite this, the NFP held two party leaders' meetings. This demonstrates how badly the party leadership was shaken by Ozawa's hospitalization.

Should Ozawa stay in the hospital for a much longer period, it will inevitably impact on the Saga by-election and the future Diet operations, including the Diet extension over the review of the controversial Religious Corporation Law. Such a prospect is now becoming heightened in the political circles.

Former Director on Public Security Agency

OW3110070795 Tokyo BUNGEI SHUNJU in Japanese Nov 95 pp 136-147

[Article by Mitsuhiro Suganuma, former director general of the Second Investigation Department of the Public Security Investigation Agency (PSIA): "What Has the PSIA Been Doing?"]

[FBIS Translated Text] I inhabited the world of "intelligence" for about 35 years before leaving my last post as the director general of the Second Investigation Bureau of the Public Security Investigation Agency (PSIA) in April.

I was in the forefront of the intense East-West intelligence war during the Cold War days for most of the 35 years I worked for the PSIA. I firmly believe that what I saw and directly and indirectly experienced were part of the "undisclosed secret post-war history of Japan."

The PSIA is generally known as a government agency intended to keep public peace by controlling organizations that carried out terrorist subversive activities. However, from the very beginning, the PSIA has performed functions of an external "intelligence agency."

Tasks of the national "intelligence agency" are not in the class of the impressive maneuvers seen in 007 movies. Men charged with the tasks are by no means allowed to go exposed, and they are supposed to be under an obligation not to talk about the details of their work even after their retirement. I am fully aware of being in the same situation, although I have left the scene.

I dared to challenge this obligation because I could not sit idle since I found that an extremely important viewpoint is being overlooked during the discussion over administrative reforms.

The biggest issue is discussions revolving around "strengthening functions of the Prime Minister's Office." On the occasion of a disaster such as the Great Hanshin Earthquake and an incident such as the sarin gas attack on the Tokyo subway system, "the Prime Minister's Office" was repeatedly criticized for "lack of information."

As a result, the government worked out a plan to strengthen the functions of the prime minister's office, with the Cabinet Information Research Office in the pivotal position, in order to strengthen information gathering functions of the prime minister's office. Its main point seems to be making information available to the prime minister's office as quickly as possible and improving the information gathering ability of that office.

However, there are two important viewpoints missing. One is who is going to gather information. In connection with information on disasters, steps seem to have been taken. However, there has been no serious discussion about who is going to gather, analyze, and make assessments on undisclosed external information related to national security. Absolutely no examination has been made of whether an ongoing conventional "intelligence agency" is needed in the new post-Cold War days; and, if it is needed, what kind of agency it should be.

Another point is the lack of recognition of how important information is. If those in government do not understand the importance of that, valuable information will be wasted. Thus, another viewpoint missing is that "assessment of information" is important.

It is regrettable to point out that Japan's postwar political leaders did not understand the value of information. Very few political leaders had some understanding of "valuable information." On the contrary, it is a fact that politicians do not distinguish real information from mere tips of scandals.

By making public for the first time part of the PSIA's external intelligence activities widely rumored that "they are wrapped in a shroud of secrecy," I hope to raise debate on the issue. By introducing a fraction of the intelligence activities and letting the realities of the intelligence agency be known, I hope the readers of this magazine change their understanding about information.

First, let me cite a typical episode to explain what "valuable information" is.

Late in 1979, the USSR troops invaded Afghanistan militarily. Though it has not been made public until now, the PSIA at that time had obtained highly reliable information beforehand that the invasion by the Soviet troops was imminent.

The information was obtained by a PSIA-affiliated organization called "Kudankai," which was a part of the PSIA's top secret "intelligence network."

"Nomura Agency" and "Kudankai"

Saburo Nomura, now deceased, was president of "Kudankai," and I learned from him many lessons about intelligence activities. Nomura went through quite a few ups and downs. During World War II, he stayed in Warsaw as a diplomat but had to evacuate to Romania as the German troops invaded into Poland. He organized his own intelligence organization "Nomura Agency" there and carried on intelligence activities on Soviet military information.

It was the autumn of 1942, immediately before the offensive and defensive battle at Stalingrad. At that time, the "Nomura Agency" was carefully monitoring wireless communication messages of Soviet cargo ships sailing on the Volga River. Since the Volga was a vital transport route for materiel for the USSR, the agency attempted to detect the kind and quantity of cargoes as well as the destination of the boats. Through this interception, it was learned that the number of oil tankers suddenly increased, and tanker after tanker fully loaded with petroleum were sailing south to Stalingrad (presently Volograd). In addition to wireless message monitoring, the "Numura Agency" had intelligence networks around the Soviet Union. Through comprehensive analysis of information, the agency learned that the Soviet troops carried out plans to launch an unprecedentedly massive counteroffensive against the Germans at Stalingrad.

This was an important piece of information. Nomura informed Germany, then an ally of Japan, that "an unprecedented number of Soviet troops are being mobilized in Stalingrad." Although the German military had a number of intelligence organizations at that time, none of them was able to correctly detect the size of the Soviet troops.

After the war, Nomura became president of "Kudankai," a detached corps of the PSIA, and mainly focused his attention on military trends in the Soviet Union and East European region. He mobilized the organizational network set up during World War II to monitor and analyze both open and covert information into and out of the Soviet Union and succeeded in detecting the aforementioned Afghan invasion beforehand.

This top secret information was immediately sent from PSIA to the head of the government. However, this serious information was completely ignored. It was said that in the Prime Minister's Office they were saying things like "what action can the Japanese government take, even if it knows that the Soviet troops are going to invade Afghanistan."

Various diplomatic actions could have been taken to prevent the invasion, if this information had been properly dealt with and if Japan had taken the lead in announcing the facts of the Afghan invasion independently. By doing so, Japan could have sent a strong message to the world that the country was making a contribution to world peace.

Nationally "valuable information" can only be gathered by such "intelligence agencies," a collective organization of specialists with experiences like Nomura.

The PSIA in the past carried out information-gathering activities both within and outside of Japan in various forms. However, few of the facts are publicized. "Wireless monitoring" activities were especially concealed.

Blackmailed "Pledgers"

On 5 September 1952, a PSIA wireless monitoring organ was secretly established in Nerima Ward, Tokyo, under the guise of a private research organ called the

"Terada Technology Institute." It started with a small setup that totaled six men, two each for deciphering, monitoring, and administration, but an exceptionally large budget of 1,540,000 yen. Two years later, the staff was increased to 120 men, with two high-speed automatic receivers, 15 low-speed receivers and four direction finders. This organ was under the direct control of the PSIA director general, and ordinary PSIA staff were not even informed of its existence.

When the Showa era entered the 30's (1955-1964), this agency started to operate at full capacity. From my experience I know that it takes at least four to five years before a new "intelligence agency" can operate in high gear. It took about five years for both the CIA and BND (FRG's Intelligence Bureau) to reach full operation.

As its initial task, the Japanese agency monitored wireless messages of domestic organizations supposedly engaged in subversive activities. Soon the emphasis was shifted to monitoring overseas wireless communication. During the Cold War days, "Terada Technology Institute" monitored wireless communication messages in the Soviet Union, at such locations as Khabarovsk, Vladivostok, the Kurile Islands, Sakhalin, and the Kamchatka Peninsula, because the requirements of those days was detecting Soviet movements. The most unique project that this organization did was monitoring what they call "agent's wireless messages," which contributed most to the maintenance of "public security" of this country.

Following the end of World War II, many Japanese detainees in the Soviet Union were allowed to come home. The first repatriation period ranged from 1945 to around 1950. Around 1953, after an approximately three-year interval, repatriation was resumed until around 1959 and 1960.

Among those second-stage repatriates were a number of people who had pledged during their detention that "I will engage in intelligence activities for the Soviet Union after returning home." We named them "pledgers" and put them on the list of those subject to major surveillance. They had been instructed to lead ordinary lives after returning home and get employed at certain offices. In short they would lead sleepers' life for a certain period of time.

Some of those "pledgers" were trained by the Soviet intelligence organs in wireless communication and cipher-decipher techniques. After a certain amount of time, they would send a message to the Soviet Union that they were "ready." In some cases, that message was sent via emissaries, not by wireless means, or letters were sent via entirely different persons. No dates were predetermined for the wireless messages to come from the Soviet Union, but if the message ever came it signaled the start of activities. Part of "agent's wireless message" was wireless communication between the "pledgers" and the Soviet Union.

The question is why they loyally obeyed orders of the Soviet Union after they returned home and why they cooperated in intelligence work for that country.

It is true that among the "pledgers" were several people who truly believed in communism and willingly cooperated in the belief that the Soviet Union was their fatherland. But that was not all. The Soviet Union blackmailed the "pledgers" after their homecoming. For example, those who did not make contact that they were "ready" received telephone calls at midnight and blackmailing letters. The "pledgers" were blackmailed on the grounds that they had left in Moscow "letters of pledge" promising that they would cooperate in espionage activities.

The "pledgers" were selected from those who might be in leading positions in the future—those from distinguished families, with high scholastic background, or with extraordinary capabilities.

Glued Notebook of Table of Random Numbers

This is where "Terada Technology Institute" comes in. It played an active role, starting with monitoring "agent's wireless messages," "pledgers" communicating with the Soviet Union. The deciphering team had to play an active role in decoding coded messages.

Members of "Terada Technology Institute" were men of great abilities, and many of them were experienced at either monitoring or deciphering wireless messages of the Eighth Route Army on the Chinese mainland during the Sino-Japan War. How they came to work for the PSIA will be explained later.

However, they had little experience in deciphering coded messages from the Soviet Union. For about five years since the establishment of "Terada Technology Institute," they thoroughly learned how to read codes used by the Soviet Union. They barely succeeded in deciphering the codes in time when the "pledgers" who had come home on the second round of repatriation began active operations.

Let me cite an episode in this connection. An "agent's wireless message" was deciphered and found to be an instruction to a "pledger" from a Soviet espionage agent to the effect "Go and get the things buried at so and so place in Kanagawa Prefecture."

A PSIA investigator was sent there at once and dug up a box containing 200,000 yen in Japanese currency,

$200,000 in U.S. currency, a book of random numbers table and a copy of the coded messages. At that time the PSIA was at a loss as to what action to take. Should it inform the police to arrest the man coming to pick up the box or let him roam at will by tacitly permitting him to dig up the box.

"Intelligence" and "investigation" agencies have always had a conflict of interests in making choices. In this case, it was decided to let the man roam at will but place him under surveillance.

In addition, there was another difficulty. The random numbers table was in the form of a notebook, and the contents could not be determined because the pages were glued together. It was a pity that, at that time, the PSIA had no technique to open it undetectably. For that purpose an intelligence agency of a friendly nation was contacted, and the agency opened it, took a picture of the contents, and returned it overnight.

Thus the successful deciphering of the Soviet codes became known to that agency. The officials of that agency expressed great surprise at the superior technical ability of "Terada Technology Institute." Since that time, the PSIA's technique of deciphering codes has been treated with respect.

"Terada Technology Institute's" most active period was between 1957 and about 1962. In a discreet manner, networks of monitoring antennas were set up in Kyushu and Hokkaido with additional tasking.

One of the major monitoring targets of "Terada Technology Institute" was the Soviet Union. From 1960 when violent opposition to the U.S.-Japan security pact was staged, information began to come in to the effect that the Soviet Union and China were becoming estranged. Seizing the opportunity, the PSIA applied its energies to collecting information on China.

On the Chinese mainland, wireless messages in the Tibetan area could also be clearly monitored for ionospheric reasons. At that time, the independence movement in Tibet was gaining momentum, and there were repeated clashes with the troops of the People's Liberation Army dispatched from China. The PSIA, assisted by monitoring activities of "Terada Technology Institute," was able to grasp the Tibetan situation distinctly, including the PLA's military actions, and obtained information on China's oppression of the Tibetan people, which the newspapers and other mass media had not reported.

Finally, the "Terada Technology Institute," with its outstanding record of success, came face to face with an insurmountable deadlock. With its limited budget, it became unable to respond to the kaleidoscopically developing technology of codes and means of communications.

Today, it has become so costly to collect information through COLINT (communication intelligence) or ELINT (electromagnetic intelligence). In addition, when a reconnaissance satellite is launched to collect imagery, vast sum of money are required just to control and administer it. However, in the world of intelligence, nothing can be done when saving money is at the forefront. Even those who know the importance of intelligence will say "it is better to get information from the Ally — the United States — without independently collecting it." It is the not-telling-a-lie reality 50 years after the war that Japan has been dependent on the United States for information as well as for its security.

The "Terada Technology Institute" was dissolved in August 1976. The total number of monitored communications is 3.81 million, of which 41,000 were filed. Thirty-one kinds of codes were deciphered and from coded messages 370 items of information were obtained.

In connection with repatriates from the Soviet Union, it must be pointed out that another important investigation was conducted. The PSIA set up a local agency at Maizuru where these repatriates arrived, and investigators interviewed each one of them to obtain what they call HUMINT (human intelligence), getting information directly from human beings. This project was comparatively less costly and laid a foundation for later HUMINT activities by the PSIA.

In particular, many of the repatriates who came home in the later days included those the Soviet Union treated as war criminals and given sentence of 25 years at hard labor. The Soviet Union let those Japanese and German POWs work in construction projects of important facilities throughout the USSR, because they were assumed to be unable to return home alive; thus no secrets would be leaked. For example, German POWs built a part of the former KGB headquarters building. When Khrushchev came into power after Stalin died, these POWs came home after a series of difficult diplomatic negotiations.

By interviewing these repatriates one by one, PSIA officials could amass detailed top secret data, ranging from the private lives of important figures of the Communist Party to major military installations. The quantity of the data was enormous. Especially among the last batch of repatriates, there were a number of former military intelligence agents. They saw those military installations with a professional eye. Furthermore, their memory was excellent, and some of them even made sketches of those military facilities, while they had been taken around the Soviet Union.

It can well be said that the PSIA, by investigating the repatriates, not only obtained a large quantity of "worthwhile information" on the Soviet Union but also learned how to collect foreign information and how investigators should act.

Espionage Agent From a Cold Country

The mission of an "intelligence agency" is not limited to collecting information. Another important work is counter-intelligence, to cope with intelligence activities of foreign countries directed against Japan. The "Rastvorov incident" was instrumental in laying the foundation of the PSIA's counter-intelligence activities. Little has been told about the defection of a top-notch Soviet spy and it is still shrouded in many mysteries.

In August 1954, the PSIA and the Foreign Ministry held a joint press conference and made public the "Rastvorov incident." This immediately touched off a big sensation. Investigations into the incident started when the U.S. Embassy got in touch with the Foreign Ministry and asked the PSIA to make a confidential investigation into the matter.

Immediately after Rastvorov's defection, the CIA did not disclose any information and conducted hearings over a long period of time. As a result, intelligence activities that he had carried out and names of Japanese collaborators were made known. The CIA brought an awesome quantity of data on this incident including a roster of Japanese collaborators to the PSIA and asked confirmation on each one of them.

The PSIA at once picked out investigators from the Kanto Regional Public Security Investigation Bureau and put them on a special mission by special order of the PSIA's then First Investigation Bureau director general. Surprisingly, Rastvorov's list of Japanese collaborators included many government-related personalities, including Foreign Ministry officials. The special team began surveilling, investigating, and shadowing every one of them.

Rastvorov's information was correct. The PSIA's investigation verified the fact that the Japanese collaborators, including Foreign Ministry officials on his list, were still under the control of the Soviet Embassy in Japan. In the process of investigation, one of the collaborators was successfully photographed making contact with a member of the Soviet Embassy staff. Because one of the Japanese under surveillance had a very wide action radius, the surveillance team had to tail him from Tokyo to Himeji.

One of the mysteries revolving around this incident was why all of sudden Rastvorov defected that time. Many speculations including alleged U.S. intrigue were circulated. However, according to the PSIA investigation, the truth was that Rastvorov was very much in awe of a man who had come to Japan from the cold country with purpose.

Immediately before he attempted to defect, an international speed skating championship series was held in Sapporo, and the Soviet Union dispatched the largest team of athletes ever since the end of World War II. A man named Rozanov [name as transliterated] was among the Soviet athletes. His title of skating manager was his cover. He was an intelligence agent. He came to Japan on a special mission to take Rastvorov back home and arrest him.

The Soviet Union had a hunch that Rastvorov was a double agent cooperating with the CIA. Upon noticing the name of Rozanov on the list of the Soviet skating team, Rastvorov immediately sensed the man was coming to Japan to arrest him.

During the East-West Cold War days, the easiest way for intelligence agents to enter foreign countries was to be included in a sports delegation. Those who could not enter a foreign country by ordinary means would use phony names to get into that country and engage in intelligence activities that had nothing to do with sports. The 1964 Tokyo Olympic Games was a typical example.

The PSIA was under constant tension for more than a half year before the Tokyo Olympics, because it judged that the Olympic Games provided an opportunity for intelligence agents of communist countries, led by the Soviet Union, to enter Japan in large numbers. It was the first serious incident that Japan experienced at the height of the Cold War. It was also immediately after the Cuban crisis, and the East and West were staging intense intelligence warfare.

The PSIA formed a special investigation team, a half year before the Olympics to cope with the problem. More than 200 men were thrown into the project, and up until today it has not been made public that such large-scale intelligence and counter-intelligence activities had gone on behind the scenes of the noble international event known as the Olympics.

The PSIA first obtained the entry lists and compiled a list of all members from not only the Soviet Union but also from all other countries that professed belief in communism. They then distributed that list to intelligence organizations of friendly nations on the West Camp. The list was accompanied by a letter requesting them "to identify people regarded as East Camp intelligence agents." By referring to replies from more than 10 intelligence agencies, the PSIA was able to extract more than 100 agents from among the athletes lists of the East Camp nations.

Thus, agents' names, names of their organizations, their personal resume, and dangers involved were written up in the PSIA files. At the same time, public security officers in great numbers were summoned to Tokyo from every corner of the country to launch a man-to-man investigation of those suspected of being intelligence agents.

When Tokyo's Athletes Village was open, a succession of foreign officials and athletes came to Japan. Japanese televisions and newspapers were engulfed in a festive mood while Japanese investigation officers were coldly staring at foreign intelligence agents on arrival at Haneda Airport. The officers immediately began investigating those picked up for surveillance and watched their actions and contacts.

These investigations were discreetly and confidentially carried out because their disclosure could have possibly led to a serious diplomatic incident.

Many of the intelligence agents came under the guise of officials on their country's athletic team on the occasion of the Tokyo Olympic Games. However, some were also famous athletes, too. An athlete who won medals in equestrian and rifle shooting events turned out to be an active East Camp intelligence agent. The investigations continued until late into the night. Day after day, detailed notes were made and filed of the results of the investigations.

A very interesting consequence of that series of investigations was a partial disclosure of the Soviet Union's and East European intelligence networks operating in Japan. Despite some registering as athletes, quite a few did not compete in sports events and roamed around Tokyo outside the athletes' village. Some of them visited offices of noted Diet members, and there were cases of their making visits to lawyers. Thus, a very interesting pile of data was accumulated.

The PSIA gave special attention to the contacts the Soviet agents made with the aforementioned "pledgers," because the Japanese agency worried about the Olympics providing an opportunity to revive such contacts.

Another interesting point was the observation of mutual relations among East Camp intelligence agencies. At that time, East European intelligence agencies of such nations as East Germany, Poland, Bulgaria, Czechoslovakia, and Hungary were completely subordinate to the Soviet Union within the Warsaw Treaty Organization. East European intelligence agents who came to Japan under cover as sports team members were found exchanging information with the Soviet agents and getting instructions from them.

The PSIA succeeded in getting two concrete results. One was the big increase in basic data on those engaged in intelligence activities for communist countries, which augmented the decided lack of information on the East Camp intelligence activities, including those of the Soviet Union.

Another was the fact that the PSIA was recognized as a member of the West Camp intelligence community. Since the U.S. occupation under the GHQ, the PSIA was in close contact with various U.S. organizations and relied heavily on the United States for foreign information. The Tokyo Olympics was a turning point, and it became a member of the West Camp community. That signaled world recognition of Japan as a mature member of the intelligence community.

Obtaining Economic Information on North Korea

At present, the PSIA places its utmost emphasis on the effort to collect North Korean intelligence. The situation in the Korean Peninsula has to be watched with the most serious concern in view of Japanese security.

In connection with the rice assistance, Japan has shipped 300,000 tons of rice for humanitarian reasons on the grounds that the DPRK had requested rice aid to alleviate food shortages due to poor harvests brought on by bad weather.

Very recently, the DPRK made a second request for rice assistance, because it had suffered damage in rice production due to very bad flooding.

In the debate on Japan's rice assistance, however, an important viewpoint has been overlooked. That is whether or not the DPRK is really suffering a rice shortage. The assistance was carried out without anybody knowing the exact quantity of North Korean rice production. Nothing is more dangerous than that. In this situation, supplying the correct information is the work of the intelligence agency.

Obtaining economic information is quite important in keeping abreast with the situation of a given country, and all intelligence agencies throughout the world endeavor to collect economic information. North Korean economic information has become one of the most important research subjects for the PSIA, and active research is being carried on export items to the DPRK and its trading realities. This is because, in analyzing the North Korean situation, it is extremely important to grasp the trading realities.

Far more important is, however, collecting non-publicized information, and world intelligence organizations are furiously competing in this field.

Idea of Establishing Central Intelligence Organ

As I wrote before, I have witnessed the collapse of the East-West Cold War structure and the subsequent change in the world situation for the approximately seven years I worked as the PSIA's Second Investigation Bureau chief responsible for foreign intelligence activities. Through that experience, I strongly feel that the importance of collecting foreign information by "intelligence organizations" is gaining more than ever.

In Japan, gathering foreign information is the most important task of the Foreign Ministry. But because the Foreign Ministry has to plan and execute Japanese foreign policy, there is the perpetual fear that information is subordinate to policy. For example, there is the possibility that convenient and favorable information is gathered in order to carry out a specific policy.

No central intelligence organization exists in Japan as it does in other major countries, and various organizations, including the PSIA, are engaged in that work. I feel that the establishment of a comprehensive intelligence organization is necessary to meet the needs of a new era.

Little is known of how a postwar "intelligence organization" came about. In fact it started with an idea to set up a central intelligence organization comparable to the CIA. In 1952, when Japan regained its independence, an idea was brought up secretly within the government by people led by Deputy Prime Minister Taketora Ogata. The idea was: "Upon gaining independence, a central intelligence organization such as the United States has may become necessary."

What Deputy Prime Minister Ogata had in mind was one modeled after the CIA. He and Prime Minister Shigeru Yoshida were among the few politicians who knew how important intelligence is.

At the beck and call of Deputy Prime Minister Ogata was Security Bureau Director General Jun Murai of thethen National Police [predecessor of the present National Police Agency — Murai later served as the first head of the Cabinet Information Research Office.] At his lead, work began to recruit specialists for the new organization. Those who used to work in the intelligence field of the old Home Affairs Ministry, who were in the consulate police force in foreign countries, and one-time secret servicemen of the old Japanese military organization were approached to join the new organization. All of them were seasoned specialists of gathering foreign information.

However, in the midst of the project, Deputy Prime Minister Ogata suddenly passed away. It is indispensable to have a man like Deputy Prime Minister Ogata, with his strong leadership and knowledge of information, when such a large-scale government agency as the central intelligence organization is going to be created. In the long run, the project was changed and reduced in size to become the Cabinet Research Office [predecessor to the present Cabinet Information Research Office] in the Cabinet Secretariat — entirely different from the original concept. Most of those professionals who had been recruited lost their jobs, although some were absorbed by the Cabinet Research Office.

At that time, the Japanese Communist Party led violent subversive activities throughout Japan and threw the whole country into an uproar. Another problem was how to cope with this situation. The concept of creating the aforementioned central intelligence organization was a partial answer to that problem.

In that concept was included a tentative plan to set up a section that specialized in monitoring wireless messages. For that purpose, people were recruited who used to be members of the old Japanese Army signal corps engaged in war in the Chinese mainland. After the war, because of their expertise, they were employed as military advisors by the Chinese Nationalist Army and went to Taiwan with Generalissimo Chiang Kai-shek to become part of that well-known "Pai Division." Later they returned home, as the project of establishing a central intelligence organization progressed and waited for a chance to join the new organization.

Since its outset, the PSIA was troubled by the problems of how to cope with violent subversive activities instigated by means of wireless radio. This is where the wireless monitoring specialists came in to help set up the aforementioned PSIA's "Terada Technology Institute." The PSIA professes that it has been established to make a contribution to Japan's public security by restricting organizations on record as having engaged in violent subversive activities. From the beginning, however, it was structured as an "intelligence organization."

The late Goichiro Fujii, the first PSIA director general, was an associate justice of the Supreme Court in the prewar days. I think he was neutral politically, a liberal and well-balanced idealistic leader of an "intelligence organization."

Various studies were said to have been made in the United States when the CIA was created. Its political neutrality was regarded as most important. An "intelligence organization" has to contribute to the national interests and should not favor any party or faction, nor it should waver under pressure from political parties. The political use of an "intelligence organization" is most dangerous.

Another important subject requiring study was how to secure the political neutrality of "intelligence."

North Korea

Commentary Denounces U.S.-South Security Talks

SK0811033495 Pyongyang KCNA in English 0317 GMT 8 Nov 95

["Military Confabs of U.S. and South Korean Puppets Denounced" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, November 8 (KCNA) — The 17th "military commission meeting" and the 27th "annual security consultative meeting," which were held in Seoul recently between the United States and the South Korean puppets, were dangerous military confabs, says NODONG SINMUN in a commentary today.

The United States and the South Korean puppets held the military confabs under the trite signboard of "military threat from the North", the analyst says, and goes on:

The "military threat from the North" on the lips of the United States and the South Korean puppets is a sophism to justify their adventurous military racket against the northern half of Korea.

In these confabs the United States gave assurances that it will continue "providing nuclear umbrella" to South Korea and it will reinforce the "rapid deterrent combat force" to cope with the "event of contingency" on the Korean peninsula, and decided to stage a new annual joint military exercise in place of the "Team Spirit" war manoeuvres together with the puppets. This is an extension of the cold war policy to stifle the northern half of Korea with "strength". The warmongers were closeted together over measures to step up war preparations on the Korean peninsula. It is contrary to the spirit of the DPRK-U.S. framework agreement, in which the United States committed itself to stop the hostile acts against the DPRK and improve relations with the DPRK.

It must not go unnoticed that the U.S. military bosses prattled at these confabs that the "armistice agreement should be kept" till the "armistice system is replaced with a peace system" through "direct dialogue between the North and the South" on the Korean peninsula. The United States is trying to involve the South Korean puppets, who have no qualification, in the issue of replacing the armistice system with a peace one. This is a trick to keep itself in a state of war with the DPRK.

What is more disgusting is that the Kim Yong-sam group begged for the permanent presence of the aggression forces by volunteering to increase the "fund for the upkeep" of the U.S. troops by 10 percent every year.

No one can vouch that the dangerous war confabs between the master and the servant, which came when the whole area of South Korea is filled with the smell of powder owing to the provocative "Foal Eagle 95" war exercise against the North, would not lead to ignition of the fuse of war against the North.

The war-mongers will be wholly held responsible for the grave consequences to be entailed by their criminal acts in rendering the situation on the Korean peninsula to the brink of war.

South Stages 'Foal Eagle 95' Exercises

SK0211054195 Pyongyang KCNA in English 0433 GMT 2 Nov 95

[FBIS Transcribed Text] Pyongyang, November 2 (KCNA) — The South Korean puppets staged the "Foal Eagle 95" war exercise in the area of South Korean Kangwon Province on Oct. 31, according to a radio report from Seoul.

The "Cholbyok" (iron wall) unit of the puppet army staged a joint exercise of "civilians, government officials and soldiers" allegedly to "check" the "working system of joint combat power" on the day.

On Oct. 30, the puppets staged an exercise to "defend" Pusan port and Kimhae Airport as part of the "Foal Eagle 95" war exercise.

The Kim Yong-sam group are deliberately aggravating the situation, staging the aggressive "Foal Eagle 95" together with "95 combined exercise against infiltration", "Hwarang" and other war exercises in various places of South Korea.

Talk Denounces U.S.-South Joint Exercises

SK0411121495 Pyongyang Korean Central Broadcasting Network in Korean 1222 GMT 3 Nov 95

[Commentary by Yun Pyong-son: "War Conspiracy Which Reveals True Intention of Warmongers"]

[FBIS Translated Text] According to a report, the puppet and U.S. chairmen of the Joint Chiefs of Staff held a war conspiracy dubbed the so-called South Korea-U.S. Military Commission Meeting on 2 November at the South Korean puppet Defense Ministry. During the meeting, they babbled about someone's threat, a threat which does not even exist; talked about enhancing combined defense capability and so on to strengthen combat readiness; and professed that apart from the Team Spirit joint military exercise, they will hold an annual South Korea-U.S. joint military exercise and establish war preparedness through this. This is a criminal war conspiracy running counter to the trend of the times. It openly reveals their true wicked intention to stir up the hornet's nest of war on the Korean Peninsula without fail.

The United States and the South Korean puppets babble about someone's threat, but repeating rumors of a threat to attack the South is a brazen-faced sophistry which has already failed. As everyone knows, the DPRK-U.S. agreed framework adopted between us and the United States is in its implementation stage. To guarantee solid peace on the Korean Peninsula, we put forth an epoch-making proposal for establishing a new peace guarantee system in place of the old armistice system between the DPRK and the United States, and are making all kinds of sincere efforts to realize it. When viewing even this, we know very well the preposterousness of the rumor of a threat which the rascals are babbling about. In reality, the military threat on the Korean Peninsula comes not from the North but from the South; the threat is aimed at the North.

Currently in South Korea, tens of thousands of U.S. imperialist aggressive forces armed with nuclear weapons and almost one million puppet armed troops are always under combat readiness, and war exercises simulating an attack on the North are being held everyday. Even at this time in South Korea, the Foal Eagle-95 joint military exercise is being held three dimensionally in the sky, ground, and sea. Another stark reality is that along the whole area of the Military Demarcation Line, provocative military acts threatening us are being held continuously.

Nevertheless, the warmongers have babbled that there is a possibility for provocation because there is no change in someone's military threat. This is to rationalize their criminal war maneuver to invade the North, and is nothing but a reversing of the situation on the Korean Peninsula, which was moving toward peace and detente, toward a situation of confrontation.

In reality, in this war conspiracy, the United States and elements of the South Korean warmongers have said that they will stage the annual U.S.-South Korea joint military exercise apart from the Team Spirit joint military exercise, and that they will establish combat readiness through this. As is known, the Team Spirit joint military exercise, which was previously held every year in South Korea, was a very dangerous nuclear test war exercise and preliminary war aimed at invading the North. During the exercise scores of thousands of enormous military forces and up-to-date war equipment, including nuclear weapons, were mobilized. Whenever this war exercise was held, North-South relations became extremely aggravated and a grave touch-and-go situation was created on the Korean Peninsula.

The United States and the South Korean puppets have said that they would not hold the Team Spirit joint military exercise this year. This is because they recognize the aftermath this war exercise will have on the situation of the Korean Peninsula. Nevertheless, even though the United States and the South Korean puppets have said that they will not hold the Team Spirit nuclear war exercise this year, they held the Foal Eagle-95 joint military exercise, which is a duplicate of the Team Spirit nuclear war exercise and is aggravating tension.

In reality, the Team Spirit joint military exercise has only changed the signboard to the Foal Eagle-95 joint military exercise. It is merely re-emerging. However, apart from the Team Spirit joint military exercise, the U.S. imperialists and the South Korean puppets have conspired to hold the annual U.S.-South Korean joint military exercise. This shows that there is no change in the rascals' war policy to crush us with force and is all the more being strengthened.

The ringleader destroying peace and security and driving the fiery cloud of war on the Korean Peninsula is the United States and the South Korean puppets. As long as the war maniacs like the Kim Yong-sam ring, which has no concern for the country's peace and reunification, sits in the place of power, our nation cannot free itself from the danger of a nuclear war for even one minute.

The United States and the South Korean puppets are trying to eliminate someone through strength, but this cannot by any means be admissible. Our People's Army and people who are fully prepared to wipe out the provokers in a single blow whenever they attack, will by no means forgive those who infringe upon our sovereign rights. The United States and the South Korean puppets must correctly look at reality and must not run amok recklessly.

Roundtable Talk With Crew of ROK Ship 86 Usong

SK0811091795 Pyongyang Korean Central Broadcasting Network in Korean 1148 GMT 6 Nov 95

[Roundtable talk with the crewmen of South Korean ship 86 Usong, including Chief Engineer Kim Pu-kon, Deputy Chief Engineer Yi Pyong- so, Cook Kim Yong-ha, and crewman Yun Kyong-sun, moderated by Chong Myong-sun; place and date not given — recorded]

[FBIS Translated Text] [Chong] How are you? As you know, not long ago the captain of the ship, 86 Usong, issued a press statement in connection with the South Korean authorities' schemes to deteriorate North-South relations by utilizing the issue of the 86 Usong ship for their political purposes.

[All crewmen] That is right.

[Chong] So, today I have arranged this meeting to hear from you, the crewmen of 86 Usong, about your opinions on this matter.

[Kim] Yes, let me talk first. I am Kim Pu-kon, chief engineer of 86 Usong. Recently, the South Korean authorities have been attempting to utilize our ship, 86 Usong, as a tool for North-South confrontation. In this connection, the captain of our ship already has issued a press statement. As indicated in the press statement, our 86 Usong illegally infiltrated into the territorial waters of the North and accordingly committed a crime for which we deserve judicial sanctions.

This notwithstanding, knowing that we are merely fishermen, the North has sincerely been looking after us with warm compatriotic love and fraternal feelings, not accusing us for anything more than of the crime we have committed.

Such being the case, the South Korean authorities should appreciate the North for such a warm treatment. At the same time they should frankly accept the crime that our ship committed and apologize for it.

Nevertheless, far from appreciating the North, the South Korean authorities have been picking a fight with the North, like a thief turning on the master with a club. This is indeed inconceivable. I cannot but express indignation over this.

[Yi] I am Yi Pyong-so, deputy chief engineer of the 86 Usong ship. I have the same opinion as what the chief engineer just mentioned. As everyone knows well, we, the persons directly concerned, should assume the blame for our ship's illegal infiltration into the territorial waters of the North. However, the South Korean authorities' crime is greater than that.

When a stop signal was received from the North's naval security boat, if we had immediately responded to it such a mishap occurred on our ship would not have occurred and our crime would not have been so grave.

Such being the situation, the South's naval security boat urged us to escape the spot via radio when our boat was captured.

[All crewmen] That is right.

[Yi] So, we were finally captured when we foolishly attempted to escape.

[Chong] Nevertheless, the South Korean authorities, who drove you to the road of crime, are attempting to utilize the 86 Usong incident for their political purposes and are making you a scapegoat for the political purposes. I think this is indeed an insolent and immoral act. What do you say?

[All crewmen] Yes, that is right.

[Kim] I am Kim Yong-ha, a crewman of the 86 Usong. What further enrages us is that the South Korean authorities, who have never looked after our fishermen, are talking about North-South relations and the like regarding our issue, as if they were paying great attention to us.

The South Korean authorities have never paid attention to our fishermen's petitions calling for rectifying the fishermen's wage problem, the massive death of fish on the shallow sea, and the destruction of fish farms caused by industrial pollution and nuclear waste. Nevertheless, the authorities have gone so far as to link (?our problem) with the North-South relations issue. This is indeed preposterous.

Frankly speaking, those who made us perpetrate illegal fishing operations are none other than the South Korean authorities. Until a few months ago, small fishing boats were allowed to catch fish even within six miles from the coast. But, the newly revised presidential decree issued in March 1991 allows fishing operations outside six miles from the coast under the pretext of protecting offshore fishing areas.

[All crewmen] That is right.

[Chong] That is probably the so-called presidential decree No. 13,333 which I believe was revised and declared as the regulation on fishing prohibition zones. Is this correct?

[All crewmen] You are correct.

[Kim] At that time, our fishermen unanimously rose up protesting that. Driving small fishing boats to the open sea far from land is tantamount to a declaration that fishermen should starve to death. Furthermore, as we, fishermen, advance to the open sea far from land, we are bound to approach the territorial waters of China or the North. On a foggy day, in particular, the danger of infiltrating into the territorial waters of China or the North is to further increase.

The South Korean authorities have ignored such a situation.

[Yi] That is right. When a boat sets sail for the high seas, the fishermen — in their desire to make money — are tempted to go to a rich fishing place, even at the risk of illegal infiltration. Therefore, the reason for our people illegally infiltrating other country's territorial waters is caused by the government's mistaken policy. It has made us remain here idle, having us commit crimes. However, it has not admitted to its misdeed. This is a very shameful act.

[All crewmen] That is right.

[Yi] Really, it is shameful. Even when I was on board ships in foreign countries, I never saw any other country that easily forgave ships that infiltrated into their territorial waters. If a ship was captured as it was secretly catching fish in other countries' territorial waters by illegally infiltrating into those areas, not only all fish they caught, but also the crew and the ship, would be seized. In order for them to be released, they would have to beg to those countries with all their efforts. When this happens, they need to pay a considerable amount in fines.

[All crewmen] That is right.

[Yi] By the way, people in the North are warmly taking good care of us. How warm their patriotic feeling is!

[All crewmen] That is right.

[Kim] There is a proverb that says one should repay a virtue with another virtue. The South Korean authorities are repaying virtue with a curse. Therefore, this is insincere.

[All crewmen] That is right.

[Kim] Furthermore, the South Korean authorities do not think of our situation. They should immediately apologize to the authorities concerned so that we can return home.

[All crewmen] That is right.

[Kim] Regardless of our desire to see our parents and brothers as soon as possible, the South Korean authorities are going to pursue their political goals.

[All crewmen] That is right.

[Kim] What I have keenly felt in the North is that the North is conducting a politics of benevolence that values the people's lives.

[Unidentified crewman] You are right.

[Kim] The South Korean authorities discard us unimportant fishermen like a used shoe. Also, they are insisting on North-South confrontation, while pretending that they are taking care of us. Therefore, how can it be possible to ease North-South relations?

[Chong] Yes, you are right.

[Kim] Because the South Korean authorities have acted so recklessly, we — who are enjoying good hospitality in spite of the fact that we committed crime — are very sorry and regretful. Therefore, we cannot but condemn the South Korean authorities' actions for putting us in a difficult situation.

[All crewmen] That is right.

[Yi] If they continue to insist on such preposterous assertion, North-South relations cannot be eased. Even now, the South Korean authorities should immediately stop using the Usong-86 for political purposes, and should apologize to the North and express their appreciation [saui] to the North.

[All crewmen] That is right.

[Yi] I take this opportunity to say that we will send a letter to the labor union to which we belong. We expect the South Korean people to actively conduct a campaign calling on the government to apologize to the North as soon as possible. The way to ease North- South relations is for the government to surely apologize to the North.

[All crewmen] That is right.

[Chong] I believe you are right. It has been clearly shown that while using the Usong-86 issue for political purposes, the South Korean authorities are viciously conducting anti-communism and anti- North confrontation plots. It is very natural for you to unanimously express your indignation for such South Korean authorities plots.

[All crewmen] You are right.

[Chong] Then, let me conclude today's talk. Thank you.

[All crewmen] Thank you.

Radio Reports Text of Crew's Letter to South

SK0811105795 Pyongyang Korean Central Broadcasting Network in Korean 0752 GMT 7 Nov 95

["Full text" of the letter from the crewmen of 86 Usong boat to the South Korean National Federation of Seamen

Trade Unions; dated 7 November — read by Yi Yu-kun, chief engineer of 86 Usong, recorded]

[FBIS Translated Text] How are you? I am Kim Pu-kwon, chief engineer of the 86 Usong. The crewmen of the 86 Usong wrote a letter to the South Korean National Federation of Seamen Trade Unions. We considered sending the letter by post or by other means, but agreed it is most appropriate to broadcast it. Now, I will read the full text of the letter signed by five crewmen of the 86 Usong, including the captain.

To: The National Federation of Seamen Trade Unions in Tohwa-tong, Mapo-ku, Seoul.

We are the crewmen of the 86 Usong boat, which departed Inchon with the main boat Usong on 14 April, 1995, and was captured by the Korean People's Army Navy patrol boat on 30 May after illegally infiltrating into the territorial waters of the North. Prior to discussing our issue, we hereby point out in this letter that it is unreasonable for the South Korean authorities to use the 86 Usong boat for their policy of North-South confrontation.

In fact, our illegal intrusion into the territorial waters of the North is an inexcusable violation of the law that deserves punishment. Nevertheless, the North took into consideration the fact that we are compatriot fishermen, and treated us generously, doing everything possible for our convenience.

Despite this fact, the South Korean authorities have been engaging in slandering, talking about abduction, and tried to shift the crime to the North, which has forgiven us and has been taking good care of us. This is clearly an unreasonable attitude and certainly not desirable for our personal security who are the guilty ones. When we come to think that the impolite and shameless attitude of the South Korean authorities is blocking our way home, we all cannot resist hatred and rage.

In the past, we had been mobilized to the anticommunist rallies calling for the immediate return of the so-called fishermen abducted to the North. Now, in the opposition situation, we have realized for the first time that the words and assertions of the authorities were all false. Frankly speaking, we are ashamed to face the fellow countrymen in the North, who welcome us.

All members of the National Federation of Seamen Trade Unions: Please deeply understand our feeling and raise your voice urging the authorities to stop using us, who are facing misfortune, as a political excuse in their insidious and cheap trick to aggravate North-South confrontation. All crewmen of the 86 Usong desperately ask for your help.

The crewmen of the 86 Usong are aware that the National Federation of Seamen Trade Unions is a 100,000-member public interest organization that works to defend the interests and rights of fishermen throughout the country, and that the organization has improved the small fishermen's living standard and poor working conditions through sea demonstrations, petitions, and sailing work.

We firmly believe that the esteemed federation will actively work for the smooth resolution of the 86 Usong issue. First, please let the 100,000 union members know the truth of our capture, and the situation in which our crime is pardoned and we are receiving fraternal love. Then, please let our families, relatives, and all the people know the truth. We expect that the federation will pressure the South Korean authorities not to abuse the 86 Usong issue as a political sacrifice, and use all your influence.

Esteemed federation: Please make efforts to have the South Korean authorities officially apologize to the North for the 86 Usong incident, and open our way home as soon as possible. All crewmen of the 86 Usong firmly believe that the Korean National Federation of Seamen Trade Unions and its 100,000 members will read our frustration in these poor words, and, with deep sympathy and solidarity, will readily accept our appeal and request, and speedily and actively work for the resolution.

[Signed] Pak Chae-yol, captain of the 86 Usong

Kim Pu-kwon, chief engineer
Yi Pyong-so, deputy chief engineer
Kim Yong-hwa, cook
Yun Kyong-sun, crew member
[Dated] 7 November, 1995, Pyongyang.

South Urged To Accept Ship Crew's Demand

SK0811110595 Pyongyang Korean Central Broadcasting Network in Korean 0853 GMT 7 Nov 95

[Unattributed talk: "The South Korean Authorities Should Accept the Demand of 86 Usong Ship Crew"]

[FBIS Translated Text] As has been already reported, the crewmen, including Captain Pak Chae-yol, of the 86 Usong, the South Korean ship captured by a naval patrol boat of the Korean People's Army [KPA] after illegally intruding deep into the territorial waters of the northern half of the Republic, issued a press statement concerning the South Korean puppet clique aggravating North-South relations by making a political use of the issue of 86 Usong ship. They also held roundtable talks, and sent a letter.

In the statement and letter and during roundtable talks, they pointed out that the Kim Yong-sam puppet clique, keeping silent for its criminal act of having driven the 86 Usong ship to the road of crime, is slandering us by picking a quarrel with us, like a thief shouting: Stop thief! The Kim Yong-sam group is maliciously making a political use of the issue of 86 Usong ship for North-South confrontation. The crewmen condemned and denounced the Kim Yong-sam puppet clique's criminal act. They strongly demanded that the South Korean authorities admit their misdeed and apologize for this to the northern half of the Republic.

Their demand is just by all means. As the captain and crew of the 86 Usong ship clarified in the letter of apology and during a news conference, they have committed a crime by illegally intruding deep into territorial waters of our Republic.

The 86 Usong ship illegally intruded into the point of 4.5 sea miles in the northern edge of Chodo Island at latitude 38 degrees, 37 minutes and 30 seconds north and longitude 124 degrees, 51 minutes and 30 seconds east, in our side's territorial waters in the West Sea.

At the time, the crewmen of 86 Usong ship were aware that they intruded deep into territorial waters of the northern half of the Republic. However, as the KPA's naval patrol boat turned out to keep control over the 86 Usong ship, it began to flee at radio directives by the puppet naval patrol boat, Kalmaegi, and the puppet marine police ship, Kumgangsan.

Moreover, the 86 Usong ship attempted to run away even after crashing into our naval patrol boat. Under these circumstances, our naval patrol boat was forced to take self-defensive measures. The 86 Usong ship was finally captured at latitude 38 degrees, 20 minutes and 40 seconds north, and longitude 124 degrees, 23 minutes and 35 seconds east, on the sea 20.8 sea miles north of the Marine Demarcation Line. In this course, the 86 Usong ship was wrecked, and caused some to be killed and injured.

The responsibility for this incident totally rests on the 86 Usong ship which illegally intruded into territorial waters in our side, and on the South Korean puppets who commanded this illegal act.

The criminal act of 86 Usong ship, which illegally intruded into territorial waters of our Republic, cannot be pardoned. However, the government of our Republic, bestowing leniency on the crewmen of 86 Usong ship, is treating them with compatriotic love.

Nevertheless, the Kim Yong-sam group, instead of asking for pardon, is slandering and picking a quarrel with us over the issue of 86 Usong ship. Thus, the Kim Yong-sam group is frantically running amok with anti-Republic confrontation commotions.

The shameless act of the Kim Yong-sam group showed that it had let the 86 Usong ship illegally intrude into territorial waters of our side under a sinister intent to use the ship as a offering for North-South confrontation.

If the Kim Yong-sam group is truly interested in improving North- South relations and in the personal safety of the 86 Usong ship crewmen, it should apologize to our Republic for the crime it committed, as demanded by the crewmen.

This notwithstanding, the Kim Yong-sam group is laying a blame on us by raving about repatriation and so forth. How can one tolerate this act?

The 86 Usong ship crewmen cannot repress their indignation against the rascals' contemptible act. The 86 Usong ship crewmen want improvement in North-South relations and national reunification. Besides, they want to return to their hometown where their parents, wives, and children live.

The statement, roundtable talks, and letter of the Usong 86 ship crewmen are extremely just, reflecting their will. If the Kim Yong- sam group wants improvement of North-South relations and the smooth settlement of the issue of 86 Usong ship, it should abandon its anti-Republic confrontation commotions, admitting its misdeed at an early date as demanded by the crewmen, and should apologize to the northern half of the Republic. This will work as the start for smoothly solving the issue of 86 Usong ship.

If the Kim Yong-sam group continues making a political use of the 86 Usong ship issue for North-South confrontation, ignoring the demand of 86 Usong ship crew, it can never avoid greater curses and denunciation by the people at home and abroad.

Crew Sends Letter to Fisherman's Group

SK0811031695 Pyongyang KCNA in English 0300 GMT 8 Nov 95

["Crew of South Korean Ship Send Letter to NFSTU" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, November 8 (KCNA) — Crew of the South Korean ship "86 Usong", which illegally intruded deep into the territorial waters of the DPRK before being captured by a naval patrol boat of the Korean People's Army on May 30, sent a letter to the National Federation of Seamen Trade Unions [NFSTU], a civil fishermen's organisation of South Korea, on November 7.

The crew in the letter said that their illegal intrusion into the territorial waters of the North is an inexcusable violation of law and a crime which deserves punishment, but the North shows mercy to them and is taking good care of them.

It is, the letter said, plainly improper that the South Korean authorities are slinging mud at the north, alleging it is "illegally detaining" the crew.

The letter requested the entire members of the NFSTU to strongly urge the authorities to stop a foul and base move to use the unfortunate crew as a political bait to aggravate North-South confrontation.

The letter expressed the hope that the NFSTU would inform its 100,000 members, the families and relatives of the crew, furthermore, all the people of the truth of their capture and of the fact that their crime was pardoned and they are under a compatriotic care and would use its influence in every way, putting pressure upon the South Korean authorities to stop them from making a political scapegoat of the ship "86 Usong".

The letter hoped that the NFSTU would make efforts to let the South Korean authorities apologize to the North officially for the issue of the crew and realise their repatriation at an early date.

All the crew of the ship "86 Usong" firmly believe that the NFSTU and its 100,000 members will willingly accept their appeal and request and conduct prompt and energetic activity, said the letter.

South Radio Cited on Criticism of Kim Yong-sam

SK0811075495 Pyongyang KCNA in English 0309 GMT 8 Nov 95

[FBIS Transcribed Text] Pyongyang, November 8 (KCNA) — South Korean opposition parties have criticized the traitor Kim Yong-sam for his refusal to admit that he received "presidential election" support funds from No Tae-u.

The spokesman of the National Congress for New Politics said it was well known that Kim Yong-sam was chosen as a single candidate with the backing of No Tae-u and No supported Kim with the sunply of funds and cooperation in the election even after he withdrew from the "Democratic Liberal Party".

The spokesman urged Kim Yong-sam to honestly open to the public the election support funds he received from No Tae-u.

He also urged the authorities to make a thorough investigation into the case of No Tae-u.

The national congress decided to set in motion the "parliamentary power of investigation into state affairs" and sponsor a "hearing on the 'Sixth Republic'" in order to probe the background of the collection of secret funds and the details of their use.

The deputy spokesman for the Democratic Party demanded that Kim Yong-sam not defend himself with clumsy pretexts nor water down or conceal suspicions about him but clarify all contents related to the presidential election funds as he promised.

The spokesman for the United Liberal Democrats said that Kim Yong-sam invited greater suspicions about him by refusing to open to the public the "presidential election" funds.

He urged Kim Yong-sam to promptly make public the total amount of the election funds he received and the details of their use.

Radio No. 1 of Seoul demanded that the traitor No Tae-u honestly open the details of the secret funds to history and the people.

Kim Yong-sam is largely responsible for making No Tae-u fully clarify the truth, the radio stressed.

South Group Urges Disclosure of Election Fund

SK0311043395 Pyongyang KCNA in English 0428 GMT 3 Nov 95

[FBIS Transcribed Text] Pyongyang, November 3 (KCNA) — The Civic Association for Economic Justice on Oct. 31 issued a statement demanding Kim Yong-sam immediately open to the public the traitor No Tae-u's "presidential election" support fund, according to a radio report from Seoul.

Kim Yong-sam denied that he received "presidential election" support fund from No Tae-u, the statement noted, denouncing it as an act to interrupt the probe into the truth behind No Tae-u's secret fund scandal.

The statement strongly demanded Kim Yong-sam open to the public his own political fund details before others do as he ordered the ruling and opposition parties of South Korea to clarify their "presidential election" support fund details.

Groups Criticize No Tae-u's 'Irregularities'

SK0411234595 Pyongyang KCNA in English 2156 GMT 4 Nov 95

[FBIS Transcribed Text] Pyongyang, November 4 (KCNA) — South Korean organizations released statements on November 2 condemning the traitor No Tae-u's irregularities, a Seoul-based radio said.

The National Alliance for Democracy and Reunification (Chongukyonhap) warned that if the present "government" glosses over the May 18 Kwangju bloodbath and the crimes of the traitor No, a chief racketeer, it will face an all-people protest.

The Citizens Federation for Economic Justice accused No of intentionally hiding the truth, far away from repenting of his wrongdoing, while the Preparatory Committee of the General Federation of Democratic Trade Unions decided to launch an all- people signature campaign urging the arrest of the traitor No and businessmen who bribed him.

The Cheju Area Joint Measure Committee for the Enactment of a May 18 Special Law, which is made up of 27 dissident organizations in Cheju Island, issued a declaration calling for the punishment of No and those involved in his illicit money-making.

Meanwhile, a democratic member of "parliament", Yi Pu-yong, demanded at the "Foreign Affairs and Unification Committee of the National Assembly" on November 1 that all of the money No stashed in foreign banks be uncovered.

Some 4,000 students affiliated with South Korea's Federation of University Student Councils met at Sungkyunkwan Campus on Friday to mark "day of students" and urge the punishment of those related to the illicit money-making.

In a statement they warned that if No is not detained and a thorough investigation into the secret fund scandal is not made, a death-defying group will be sent to Yonhui-tong to arrest him.

On the same day, Chongukyonhap and the People's Council for Era of Reunification and Democracy held rallies demanding that No be detained and the "presidential election" fund be made public, and started signature campaigns.

Radio Decries No Tae-u Scandal in South

SK0511110395 Pyongyang Korean Central Broadcasting Network in Korean 0854 GMT 3 Nov 95

[Unattributed talk: "The Whirlwind of Secret Funds Is Storming South Korea"]

[FBIS Translated Text] It was recently exposed in South Korea that traitor No Tae-u, the dictator of the Sixth Republic, secretly amassed an enormous amount of secret funds, arousing the people's strong denunciation and political chaos. The entire society is seething like a poked beehive. On 27 October traitor No Tae-u issued a statement of apology to the people regarding his secret funds. He said he raised 500 billion won in governing funds during his five-year term. Immediately following the traitor's apology game, various circles in South Korean society strongly called for the whole truth, story, and expenditure of the secret funds, as well as punishment according to the law, saying that the 500 billion-won in governing funds is only the tip of the iceberg.

During his entire term, traitor No Tae-u repeated with a brazen face that he never asked for political funds from anyone, but behind the scenes he collected so much black money that it would surprise even the preceding dictators. Some typical examples of traitor No Tae-u's irregularities include the Seoul-Pusan high-speed train project, which is known to have raised 400 billion won in political funds, the 22.7 billion-won illicit fortune from the Sangmudae irregularity, hundreds of billions of won from Kepco projects, the Yulgok Project related to the purchase of military equipment, and golf course licenses.

During his term, the traitor made it his business to engage in large-scale irregularities and fed his wealth by receiving money in many different ways. Traitor No Tae-u usually received a box full of money in exchange for giving various licenses or consideration. Boxes of the soap case size reportedly contained 4 to 5 million won, boxes of the instant noodle box size contained 30 to 50 million won, and golf bags contained about 100 million won. When the amounts were larger, he received bankbooks because of the size of the bills. Heads of comprador capital conglomerates handed him bankbooks on festive days as greetings. A mere child would not believe that traitor No Tae-u only collected 500 billion won. All South Koreans believe that the actual amount is 10 times or more higher.

The traitor had the Chongwadae [presidential offices] security office, whose power is untouchable, deposit the enormous amount of money he secretly collected into the Hyoja-tong branch of the Commercial Bank, known as the Chongwadae in-house shop, and other banks. The main finance manager was Yi Hyon-u, who is a prime suspect in the current investigation. He was a confidant of confidants and a part of No Tae-u's entourage. He graduated from the puppet Korea Military Academy and was director of the Agency for National Security Planning, and director general of the presidential security service during the Sixth Republic. The traitor had his most trusted confidants deposit the illegally collected money under false names and other people's names. During the Sixth Republic, the Hyoja-tong branch of the Commercial bank had hundreds of accounts under the name KHS, initials [in Hangul] for the presidential security service, and a deposit of an enormous amount of money under the name Chonguhoe, an organization of Chongwadae secretaries.

The traitor's secret deposits are not only in South Korea, but in Switzerland and other countries as well. A part of the money deposited in a foreign country was recently uncovered, causing great political controversy. Following the disclosure of his secret funds, traitor No Tae-u insisted that he would not die twice — that is, he would not die once through the apology and a second time through legal proceedings. Pressed by public opinion, he had no choice but to announce the so-called apology to the people. As he was reading the apology statement, he avoided mentioning how he collected and spent the secret funds. Even at this moment, he is boasting that once the details of his secret funds are open to the public, quite a few high-ranking officials of the incumbent regime will face disasters.

Actually, people are saying that Kim Yong-sam received a large sum of money from No Tae-u during the presidential election. Unable to deny this, Kim Yun-hwan, chairman of the Democratic Liberal Party, says it is possible that Kim Yong-sam may have been provided with presidential election funds. Commenting on the secret funds, a former South Korean prosecutor complained that a thief was controlling the country. South Korean people have burst into a rage and have risen to join the struggle to thoroughly disclose the contents of the secret funds and punish the culprits of irregularity and corruption, in a bid to remedy the rotten South Korean society.

The South Korean people's struggle to disclose the truth of the secret funds issue and punish its perpetrators, coupled with the struggle to punish the Kwangju murderers, is becoming stronger. The struggle to establish social justice will disclose the truth of irregularity and corruption, and the culprits will receive due punishment.

South Citizens Protest Against No Tae-u

SK0611051595 Pyongyang KCNA in English 0512 GMT 6 Nov 95

[FBIS Transcribed Text] Pyongyang, November 6 (KCNA) — Tens of thousands of citizens and students across South Korea on Saturday [4 November] held rallies of protest against the traitor No Tae-u and called for his punishment for amassing huge amounts of ill-gotten cash, according to a foreign news report from Seoul.

At rallies they urged the prosecution to arrest No immediately for hoarding 654 million dollars for a political slush fund during his "presidential" term.

About 20,000 students and citizens rallied in downtown Seoul. Afterward, they tried to march to an area where No lives. They were blocked by riot police.

The demonstrators poured into the streets and regrouped in high spirit.

They also demanded the punishment of those responsible for causing a blood bath in Kwangju by sending army troops into the city to crush a democracy movement in May 1980, the report said.

Arrest Urged of Those Involved in Secret Fund

SK0511093295 Pyongyang KCNA in English 0817 GMT 5 Nov 95

[FBIS Transcribed Text] Pyongyang, November 5 (KCNA) — 600 representatives of the student movement in the 1960s who took the van in the April popular uprising and in the struggle against the South Korea-Japan "agreement" issued a declaration on the situation on November 3 in Seoul and demanded the immediate arrest and prosecution of the murderers of the May 18 incident and all involved in the secret fund, according to a radio report from Seoul.

Advisor to the Democratic Party Yi Ki-taek told the representatives that the politics of South Korea is exactly like that of decades ago and Kim Yong-sam and other statesmen are to blame for this.

He urged the traitor Kim Yong-sam to open to the public the "presidential election" fund in 1992 and make a thorough probe into malpractice of the traitor No Tae-u.

People's Rally in Seoul Demands No's Arrest

SK0511101595 Pyongyang KCNA in English 0839 GMT 5 Nov 95

[FBIS Transcribed Text] Pyongyang, November 5 (KCNA) — The all-people measure committee for enactment of a special law to punish the May 18 murderers held a people's rally with 7,000 citizens and students in the Chongmyo Park on Nov. 4, set as the day of people's action for the arrest of the traitor No Tae-u and the enactment of May 18 special law, according to a radio report from Seoul.

The committee bitterly denounced the traitor No, the criminal of the secret fund scandal, and demanded he be arrested and interrogated.

The committee also demanded that the puppet authorities enact a special law to punish those responsible for the Kwangju massacre.

Members of the joint council of Christian organizations, the family society of May 18 injured people and the preparatory committee of the Confederation of Democratic Trade Unions held separate meetings at the park in the university quarters and Myongdong Cathedral. Students of universities separately held rallies before gathering at the place of the people's rally.

Former South Politicians Decry Joint Exercises

SK0511094795 Pyongyang KCNA in English
0822 GMT 5 Nov 95

[FBIS Transcribed Text] Pyongyang, November 5 (KCNA) — The Consultative Council of Former South Korean Politicians in the North for the Promotion of Peaceful Reunification issued a statement November 4 denouncing the United States and the South Korean puppets for ceaselessly staging reckless war exercises against the north.

The statement said:

The South Korean puppets are staging a large-scale joint military exercise codenamed Foal Eagle-95 with the United States against the North and, not content with it, holding another war exercise dubbed Hwarang.

Although they describe the Foal Eagle-95 as one for "defence" and "accumulation of night experience," it is an exercise of surprise attack on the North in the sky and on the ground and the sea in view of its character and content.

The Consultative Council of Former South Korean Politicians in the North for the Promotion of Peaceful Reunification bitterly denounces the provocative Foal Eagle-95 and other war exercises staged by the South Korean puppets with the United States, branding them as a premeditated move to block peace and peaceful reunification of Korea and plunge the Korean people into the scourge of war.

The war exercises show that their talk about "inter-Korean dialogue" and "improvement of inter-Korean relations" is a lie and that they do not want peace and peaceful reunification of the Korean Peninsula.

We members of the Consultative Council of Former South Korean Politicians in the North for the Promotion of Peaceful Reunification will make every sincere effort to oppose the war maneuvers of the U.S. imperialists and their stooges, defend the benevolent socialist system of the DPRK and achieve national unity and reunification under the 10-point programme of the great unity of the whole nation.

We take this opportunity to express our belief that the South Korean people and personages in all walks of life will more courageously fight to resolutely check and foil the new war provocation moves of the United States and the Kim Yong-sam puppet clique and promote peace and peaceful reunification of the country.

CPRF Secretariat on 'Suppression' of Students

SK0511092895 Pyongyang KCNA in English
0814 GMT 5 Nov 95

[FBIS Transcribed Text] Pyongyang, November 5 (KCNA) — The Secretariat of the Committee for the Peaceful Reunification of the Fatherland issued information No. 695 on Nov. 4 denouncing the Kim Yong-sam group for invoking the "National Security Law" ("NSL") to suppress the South Korean students who studied the chuche idea and had communication with students in the north.

According to the information, the South Korean fascist clique on Oct. 30 arrested student Hong Sung-chun, chairman of the General Student Council of Changwon National College in South Kyongsang Province, and student Chong Sung-ku, chairman of the General Student Council of Inchon College, on charge of violation of the "NSL". Hong Sung-chun studied the chuche idea with four other students toward the end of the last year and had communication with students in the North in May, this year, and Chong Sung-ku avidly read the book "Philosophical Principle of the Chuche Idea".

This is a truculent suppression for preventing the South Korean youth and students from studying and disseminating the chuche idea getting brisk day by day, and breaking off the North-South dialogue and contacts, the information noted and continued:

"Today the South Korean authorities are viciously suppressing and persecuting even those who follow the chuche idea and have communication with the students in the North. This clearly shows that 'dialogue' and 'improvement of the inter-Korean relations' on their lips are nothing but a hypocrisy and they only seek the confrontation and division.

"The Kim Yong-sam group should halt the fascist suppression of patriotic South Korean youth and students who take the van in the study and dissemination of the chuche idea and the struggle for reunification, immediately repeal the anti-reunification fascist law 'NSL' and unconditionally release the devotees of the chuche idea and all the pro-reunification patriots who were arrested unreasonably."

Kim Yong-sam Accused of Refusing Contacts

SK0611052395 Pyongyang KCNA in English
0516 GMT 6 Nov 95

[FBIS Transcribed Text] Pyongyang, November 6 (KCNA) — Hwang Pyong-tae, vice-chairman of the

Central Committee of the Korean Buddhist Federation [KBF], published a statement on Sunday [5 November], in which he accused the Kim Yong-sam group of turning down the proposed contact of the South Korean Buddhist Committee for Human Rights with KBF delegates at Panmunjom to discuss the repatriation of unconverted long-term prisoners in South Korea.

The Kim Yong-sam group did so, with an absurd argument that "contact with the North side at Panmunjom to discuss a political issue is not desirable." This fully shows once again that they are a group of villains who don't have a slice of humanity, the statement said, and went on:

The Kim Yong-sam group must lend an ear to the voices of people from all walks of life in the North and the South of the country and the world conscience demanding the repatriation of unconverted long- term prisoners and send them back to their hometowns unconditionally with no more delay and must not block the contact between Buddhists in the North and the South for their repatriation.

If they persistently block the contact, lowering the checkbar on the issue of the repatriation of those prisoners, they will meet a bitter curse and denunciation of us Buddhists and the world people.

The Buddhists in the DPRK will continue their patient efforts to realize a meeting with their counterparts in the South for the repatriation of unconverted long-term prisoners, the statement said.

World Food Program, Japanese Groups Arrive

SK0411235495 Pyongyang KCNA in English
2223 GMT 4 Nov 95

[FBIS Transcribed Text] Pyongyang, November 4 (KCNA) — A delegation of the World Food Program arrived here today by plane.

A Japan-Korea friendship delegation of the Yamanashi Prefectural People's Council led by its adviser Atsushi Akiyama, home-visiting groups of Korean students in Japan and the 249th short-term home-visiting group of Koreans in Japan on a visit to the socialist homeland arrived in Wonsan today by the ship "Mangyongbong 92".

Overseas Koreans Pay Homage to Kim Il-song

SK0511091395 Pyongyang KCNA in English
0808 GMT 5 Nov 95

[FBIS Transcribed Text] Pyongyang, November 5 (KCNA) — Home-visiting groups of Korean students in Japan on Saturday visited the statue of the great leader President Kim Il-song on Mansu Hill and laid floral baskets before the statue and made a deep bow.

A delegation of the World Food Program and a Japan-Korea friendship delegation of the Yamanashi Prefectural People's Council led by its adviser Atsushi Akiyama laid bouquets of flowers before the statue of the respected president and made a bow to him on the same day.

Koreans in Japan Denounce 'Foal Eagle 95'

SK0711092195 Pyongyang KCNA in English
0743 GMT 7 Nov 95

[FBIS Transcribed Text] Pyongyang, November 7 (KCNA) — The chairman of the Association of Koreans in Japan for Peaceful Reunification, Kim Chong-su, released a statement on November 1 denouncing the U.S. imperialists and the South Korean puppets for staging a provocative joint military exercise codenamed "Foal Eagle 95" against the north of Korea.

He viewed the exercise as an undisguised perfidy to the DPRK-U.S. framework agreement and a downright challenge to all the fellow countrymen and the world peaceloving people who are hoping for the independent and peaceful reunification of the country.

If the United States truly wants to see peace and peaceful reunification of the Korean peninsula, he said, it must put an end to all the anti-peace, anti-dialogue reckless military exercises backing the South Korean puppets by force of arms and honestly implement the framework agreement it signed before the eyes of the world.

The South Korean puppets must give up their anachronistic design, promptly stop war gambles aimed at slaying the fellow countrymen in the North at outside forces' beck and call, and unconditionally discontinue their flunkeyist and treacherous acts and confrontation with the North.

Chongnyon Publishes Book by Kim Chong-il

SK0411104395 Pyongyang KCNA in English
1006 GMT 4 Nov 95

[FBIS Transcribed Text] Pyongyang, November 4 (KCNA) — A book "21st Century and Kim Chong-il" was published by the General Association of Korean Residents in Japan (Chongnyon).

The book was written by Yi Chin-kyu, who was first vice-chairman of the Central Standing Committee of Chongnyon, on the 50th anniversary of the Workers' Party of Korea. It was translated in Japanese.

It consists of eleven parts of four chapters.

The book deals with the facts that the Great leader Marshal Kim Chong-il further developed and enriched Kimilsungism by conducting outstanding ideological and theoretical activities and putting forward original principles and propositions meeting the demand of the 21st century.

Heilongjiang Group Leader Praises Kim Il-song

SK0811065695 Pyongyang KCNA in English 0409 GMT 8 Nov 95

[FBIS Transcribed Text] Pyongyang, November 7 (KCNA) — Liu Hanwu, vice-chairman of the standing committee of the Heilongjiang provincial people's congress of China, who was heading a provincial friendship delegation, told KCNA that the great leader President Kim Il-song devoted his life to the happiness of the people.

He said that during the visit to Korea, he keenly felt how greao the feats of the respected president are.

He said:

President Kim Il-song defeated two imperialisms which boasted of being "strongest" and defended the dignity of the nation with honor.

In the whole historical course of leading the revolution and construction, he believed in the working people and fully relied on their strength.

The Korean people, who covered the road of victory under his leadership, are now creating a new proud history, guided by the great leader Comrade Kim Chong-il.

We firmly believe that the Korean people will continue successfully accelerating socialist construction under the leadership of Comrade Kim Chong-il.

Goodwill Group Departs

SK0811074995 Pyongyang Korean Central Broadcasting Network in Korean 1300 GMT 4 Nov 95

[FBIS Translated Text] The PRC Heilongjiang Province goodwill delegation led by Liu Hanwu, vice-chairman of the Standing Committee of the Heilongjiang Provincial People's Congress, returned home on 4 November by train.

Acrobats Perform at Festival in China

SK0611091095 Pyongyang KCNA in English 0901 GMT 6 Nov 95

[FBIS Transcribed Text] Pyongyang, November 6 (KCNA) — Acrobats of the Pyongyang Circus achieved great success in the 5th Wuqiao International Acrobatic Festival held in China from October 28 to November 3.

The "three-stage trapeze flight" got the highest points and received the Golden Lion prize.

Acrobat Hong Myong-song, who carried out "four turns in the air", was awarded the highest technical prize of the festival and magicians were awarded the highest art creation prize.

The "spring flight" and "bears boxing" also won the special prizes respectively.

Kim Chong-il Sends Gift to Beijing School

SK0411044395 Pyongyang KCNA in English 0439 GMT 4 Nov 95

[FBIS Transcribed Text] Pyongyang, November 4 (KCNA) — The great leader Comrade Kim Chong-il sent a gift to Middle School No. 5 in Beijing, China 45 years since a class of the school was named after Kim Il-song.

Letters "ceremony to convey musical instruments sent by Comrade Kim Chong-il" were seen at the place of the ceremony.

The deputy principal of the school said in his speech at the ceremony that the valuable gift from the great leader Comrade Kim Chong-il was a symbol and bond of friendship between the Chinese and Korean peoples and a bridge of friendship between the two young peoples.

Noting that China and Korea are friendly neighbours and the friendship between the two peoples has a long history and has withstood the trials of history, he expressed the belief that the friendship between the two peoples would continue to deepen and that the two countries would achieve greater success in socialist construction.

The gift was handed to the deputy principal by the Korean ambassador to China.

A letter to Comrade Kim Chong-il from the pupils of "Kim Il-song Class" of the school was adopted at the ceremony.

PRC, Thai Groups Pay Homage to Kim Il-song

SK0311043095 Pyongyang KCNA in English 0426 GMT 3 Nov 95

[FBIS Transcribed Text] Pyongyang, November 3 (KCNA) — A friendship delegation of Heilongjiang Province of China led by Liu Hanwu, vice-chairman of the standing committee of the Heilongjiang provincial people's congress, and a delegation of Chulalonkorn University of Thailand led by its vice-president Rabin

Ruttanaphani [name as received] on Nov. 2 visited Kumsusan Memorial Palace where the great leader President Kim Il-song is preserved in state, and made deep bows to him.

Earlier, the delegation of Chulalonkorn University visited the statue of President Kim Il-song on Mansu Hill and laid bouquets of flowers and made a bow.

WPK Greets Communist Party of Argentina

*SK0211214295 Pyongyang KCNA in English
1522 GMT 2 Nov 95*

[FBIS Transcribed Text] Pyongyang, November 2 (KCNA) — The Central Committee of the Workers' Party of Korea today sent a message of greetings to the 19th Congress of the Communist Party of Argentina (CPA).

The message expressed the belief that the congress of the party will become an important occasion in the activities of the CPA to strengthen the party, defend the ideas of anti-imperialist independence and socialism and achieve the unity of all the progressive forces.

The message expressed the belief that the friendly relations between the two parties will continue to strengthen and develop. It wished the CPA a great success in the work of the congress.

UK Communist Group Signs Pyongyang Declaration

*SK0411105095 Pyongyang KCNA in English
1007 GMT 4 Nov 95*

[FBIS Transcribed Text] Pyongyang, November 4 (KCNA) — An increasing number of political parties support the Pyongyang declaration "Let Us Defend and Advance the Cause of Socialism".

The Revolutionary Communist Party (Marxist-Leninist) of Great Britain put its signature to the Pyongyang declaration on Oct. 27, bringing the total number of the signatories to the declaration to 226.

Brazilian Delegation Returns Home 4 Nov

*SK0811075295 Pyongyang Korean Central Broadcasting Network in Korean
1300 GMT 4 Nov 95*

[FBIS Translated Text] The delegation of the Party of the Brazilian Democratic Movement and the Brazil-DPRK Friendship Association led by Marcelo Barbier, first vice-chairman of the movement, returned home on 4 November by plane.

Hwang Chang-yop, secretary of the Workers Party of Korea Central Committee; Pak Kyong-son, deputy director of a department of the party Central Committee; and Yang Tal-chu, vice chairman of the Korean Committee for Cultural Relations With Foreign Countries who is also chairman of the DPRK-Brazil Friendship and Cultural Association, were on hand at the airport to bid the delegation farewell.

Daily Says UN Should Abolish UNSC Veto

*SK0511095695 Pyongyang KCNA in English
0836 GMT 5 Nov 95*

["United Nations Should Make New Start" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, November 5 (KCNA) — If the United Nations is to conduct its activity to suit its charter and mission, it should ensure the principle of international justice and impartiality and make a new start, says NODONG SINMUN in a signed article today.

Voices of blaming the United Nations at its 50th anniversary celebrations is a natural assault to its activities so far. The United Nations should discharge its mission and role.

The United Nations is now faced with the task to make a substantial contribution to the efforts of all countries and nations to defend national independence and sovereignty and build a free, peaceful and new world free from all domination and subordination. To this end the United Nations should, first of all, not act contrary to the principle of international justice and impartiality in its activity, but respect the sovereignty and interests of small countries and treat all countries on an equal footing.

The United Nations must make an essential contribution to world peace and security, the economic development of each country and the improvement of people's well-being.

In order to reform the U.N. structure and democratize the U.N., the U.N. Security Council [UNSC] should be reformed. The main point here is to give a preference to the developing countries, an overwhelming majority in the U.N. and apply the principle of regional proportion, considering the number of countries in each region, and expand the Security Council.

The system of veto is a lever to grant privilege and arbitrariness to some big powers in the United Nations. When veto is abolished, the main obstacle to the democracy of the United Nations and the old legacy of the cold war era creating hegemonism and arbitrariness of a few big powers can be removed.

Kim Chong-il Sends Thanks to Working People

SK0211043595 Pyongyang KCNA in English 0407 GMT 2 Nov 95

[FBIS Transcribed Text] Pyongyang, November 2 (KCNA) — The great leader Comrade Kim Chong-il sent thanks to workers of the Songsan coal mine and members of the "Cha Kwang-su Youth Shock Brigade" of the Chilli coal mine for their signal successes in coal production and 150 dependent family members of workers of the Kowon coal mine for their contributions to increased coal production.

He also sent thanks to officials and employees of the Chonmasan Hotel in Chongjin, North Hamgyong Province, and the Koryo Medicine Resources Prospecting Corps who distinguished themselves in the service for foreigners and in prospecting Koryo medicine resources.

Kim Chong-il Sends Birthday Table to Artist

SK0411043695 Pyongyang KCNA in English 0433 GMT 4 Nov 95

[FBIS Transcribed Text] Pyongyang, November 4 (KCNA) — The great leader Comrade Kim Chong-il sent a 70th birthday table to people's artiste Pak Sop.

Pak Sop, who was born in Seoul, South Korea, in the period of the Japanese imperialists' colonial rule, came over to the North during the fatherland liberation war and has been grown up into Kim Il-song Prize winner and people's artiste, bringing into full bloom his hope and talent to his heart's content as a film artiste.

Comrade Kim Chong-il who boundlessly loves his revolutionary soldiers showed all kinds of love and care for him when he was within sight of death owing to a sudden attack of illness so that he might be brought back to life and personally met him several times to give him important instructions.

Pak Sop now works as a leading official of a cinema art organ with youthful stamina and ardour.

Broadcast Workers Pay Homage to Kim Il-song

SK0511091095 Pyongyang KCNA in English 0807 GMT 5 Nov 95

[FBIS Transcribed Text] Pyongyang, November 5 (KCNA) — The participants in the national meeting of broadcasting workers visited the Kumsusan Memorial Palace to pay homage to the great leader President Kim Il-song on Saturday.

They made a deep bow before the statue of President Kim Il-song and paid deepest tribute to the president, who is preserved in state, with the feelings of humble reverence and loyalty.

They made a solemn vow to lift up voices of the party and revolution with the pen and mike of revolution firmly gripped in order to thoroughly carry out the behests of the respected president and to glorify the achievements of the party and the leader in their leadership forever.

KPA Festival Marks WPK Anniversary

SK0411050995 Pyongyang KCNA in English 0446 GMT 4 Nov 95

["25th Art Festival of KPA Soldiers" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, November 4 (KCNA) — The 25th art festival of the Korean People's Army [KPA] soldiers has taken place throughout the army since the beginning of the year to mark the 50th anniversary of the Workers' Party of Korea. The art festival is going on in Pyongyang.

Companies selected from among the KPA units perform at the April 25 House of Culture and halls of servicemen from late October.

Put on the stage of the art festival were tens of thousands of works including narration and chorus, poem and musical story and chorus of instrumental music.

The performers vividly showed the immortal achievements of the party and the leader in military leadership and the confidence in victory and firm pledge of the a-match-for-a-hundred servicemen and their militant might through the narration and chorus "Leader Has Come to our Post", the song "Our General Is Best", the choruses "Worthwhile Days of Soldiers" and "Look at Us", grand chorus "Song of Coast Artillerymen", the poem and musical story "Our Glorious Post" and other works.

'Monumental Edifices' Built for WPK Anniversary

SK0411233295 Pyongyang KCNA in English 2203 GMT 4 Nov 95

[FBIS Transcribed Text] Pyongyang, November 4 (KCNA) — Working people in Korea have built many monumental edifices on the occasion of the 50th anniversary of the foundation of the Workers' Party of Korea [WPK].

The Chongnyu Bridge, Kumnung Tunnel No. 2 and the Pyongyang-Hyangsan tourist highway were built as monumental edifices adding lustre to the Workers' Party era. They were built by the soldiers of the Korean

People's Army in a short period on the order of supreme commander Comrade Kim Chong-il.

The monument to party foundation, which was erected on the Taedong River in Pyongyang, the capital city, consists of towers of a hammer, a sickle and a writing brush symbolizing the workers, peasants and intellectuals, the components of the WPK, and a circular belt symbolizing the singlehearted unity of the leader, the party and the masses.

The workers in Korea built and commissioned coal mines, ore mines and industrial establishments on the anniversary of the WPK.

The Songjung Mine is a non-ferrous metal ore production base with pits, ore dropping chutes, delivery lines by electric cars, ore crushing grounds, ore dressing plants, smelting station and tailings station. The Piho Mine is to annually produce tens on thousands on grinding stones of different sizes and large quantities of materials for grinding.

A new pit and ore dressing plant were built at the Ipsok Coal Mine and the first-stage project of the long-distance belt conveyor in pits of the Yongdong Coal Mine was completed and commissioned.

The Haeju January 10 Machine Factory has been built as a modern machine factory which produces mining equipment and accessory parts, and pig iron and cement production bases were built at the Pukchang Thermal Power Complex.

Besides, the Yongwol Granite Mine, the ball production base of the Chondong Mine, a new production system of the September 21 smeltery, the Nagwon Export Fishery Station, the Kangson Chollima Export Garment Factory, the Central Jewel Art Studio, and many other production units were commissioned.

And many light industry production bases, cooperation projects of the UNDP [United Nations Development Program], companies and collaboration patriotic factories were built and commissioned.

The Hoeryong-Haksong and Kuhyon-Inpo sections were switched over to electric traction and opened to traffic, a modern wheel production centre was built and electric locomotives and passenger cars were produced.

The great leader Comrade Kim Chong-il expressed deep satisfaction over the fact that the heroic workers and other working people of Korea built monumental edifices and major object and produced new goods with unfailing loyalty to the party, and thanked them.

Embodying Communist Outlook on Morality Urged

SK0611051495 Pyongyang KCNA in English 0502 GMT 6 Nov 95

["NODONG SINMUN Calls For Embodying Communist Outlook on Morality" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, November 6 (KCNA) — NODONG SINMUN today in an editorial titled "Let Us Thoroughly Embody Our Party's Noble Communist Outlook on Morality" calls for a vigorous drive to actively follow the great Comrade Kim Chong-il's noble outlook on morality, which is based on unfailing loyalty to the great leader Comrade Kim Il-song.

The editorial says:

We must continue to deepen the effort to establish a communist outlook on morality, regarding it as an important affair vital to the destiny and future of the party and the revolution.

We must concentrate on following the noble moral traits of respected Comrade Kim Chong-il, the supreme incarnation of communist morality and loyalty, and harden our determination to live up to the benevolence of the party and the leader.

Through Comrade Kim Chong-il's great traits, we must deeply learn with what attitude and position a revolutionary should uphold the leader and defend and exalt his authority.

All the party members and other working people must regard the ideas and instructions of Comrade Kim Il-song as the maxim and faith in their struggle and life and carry them out to the letter with higher consciousness and loyalty than we had when he was alive.

From the collapse of socialism in some countries, we must more deeply realize how viciously the revisionists impaired the noble communist morality and what a grave impact it had on the socialist cause as a whole. So, we must not allow any element harmful to our people's noble spiritual and moral traits to infiltrate into our society.

We must carry forward Comrade Kim Il-song's revolutionary cause, the chuche socialist cause, invariably and faithfully, no matter which way the wind may blow, so that the revolutionary people of the world can learn the fine example of the Korean communists, who have a noble communist outlook on morality.

Radio Reports on Power Plants Increasing Output

SK0311232595

[FBIS Editorial Report] The following is a compilation of reports carried by Pyongyang Korean Central Broadcasting Network in Korean from 27 October to 2 November on power plants achieving upsurges in power production.

At 1200 GMT on 27 October, Pyongyang Central Broadcasting carries an under-one-minute report on electricity producers of the Changjagang Power Plant fulfilling their "daily production target at 120 to 125 percent" by "effectively organizing technical and equipment management" and "by ensuring the equipment is in full operation."

At 1200 GMT on 28 October, Pyongyang Central Broadcasting carries an under-one-minute report on hydroelectric power plants across the country "increasing power production." The report states "hydroelectric power plants have shown a 129.3 percent increase in October as compared with the same period last year."

At 2100 GMT on 28 October, Pyongyang Central Broadcasting carries an under-one-minute report that electricity producers of the 16 June Thermal Power Plant "doubled electricity production as compared with the previous month by operating their equipment at full capacity."

At 1200 GMT on 31 October, Pyongyang Central Broadcasting carries a one-minute report on the Changjingang Power Plant striving to increase electricity production with "a spirit of self-reliance and fortitude." The report notes: "The power plant has topped its daily quotas by hundreds of thousands kwh [kilowatt hours] by ensuring high water levels and by raising the efficiency of turbines."

At 2100 GMT on 31 October, Pyongyang Central Broadcasting carries an under-one-minute report that "electricity producers of the Tongchon Power Plant are effecting upsurges in electricity production." The report states the power plant has "topped its daily assignment by more than 120 percent by operating equipment at full capacity." The report adds: "Electricity producers of the No.4 generation workshop have recorded a high electricity output by effectively managing equipment and water."

At 2200 GMT on 1 October, Pyongyang Central Broadcasting carries a one-minute report on electricity producers of the Kanggye Youth Power Plant "invariably increasing electricity production." The radio reports the power plant "has produced hundreds of thousands of kilowatts of electricity more than the same period last year." The radio further states that electricity producers of the power plant "methodically conduct regular maintenance on their equipment and distribute electricity without wasting a watt."

At 2100 GMT on 2 October, Pyongyang Central Broadcasting carries a two-minute report on an interview with Ho Song-yol, deputy manger of the Pyongyang Thermal Power Generation Complex, and Sin Hyong- kuk, a worker at the coal conveyance workshop, on "the Pyongyang Thermal Generation Complex effecting upsurges in the production of electricity." During the interview, the deputy manger states: "The power complex has topped its daily assignment by 112 percent by effectively organizing technical and equipment management." The deputy manager further states: "Working people of the No. 1 and No. 2 heating workshops have introduced new technology and have operated their equipment at full capacity, thus increasing production more than in September."

At 2200 GMT on 2 October, Pyongyang Central Broadcasting carries an under-one-minute report that the Changjingang Power Plant "is further accelerating production with the high spirit of having overfulfilled September's monthly assignment by 105 percent." The radio adds: "Electricity producers of the Nos. 1, 2, and 3 power generation workshops have maintained a high and steady production rate by effectively managing generation equipment and water."

Nationwide Threshing Increases by Factor of 1.4

SK0511090395 Pyongyang Korean Central Broadcasting Network in Korean
1200 GMT 4 Nov 95

[FBIS Translated Text] Farms across the country are vigorously accelerating threshing. According to compiled data, as of 2 November 1.4 times more grain was threshed nationwide than in the same period last year.

South Korea

Shipping Expects U.S. 'Protectionist' Action

SK0811073095 Seoul YONHAP in English
0618 GMT 8 Nov 95

[FBIS Transcribed Text] Seoul, Nov. 8 (YONHAP) South Korean shipping companies will likely face more serious difficulties as the U.S. Congress is seeking to expand the "controlled carrier" provisions of the 1984 Shipping Act in a more protectionist way.

According to the Korea Shipowners' Association (KSA) on Wednesday, the U.S. Congress is currently deliberating on an amendment to the Ocean Shipping Reform Act of 1984.

The proposed amendment would radically expand the scope of the law to include privately-owned and operated foreign carriers and would give the U.S. administration unprecedented power to intervene in the activities of commercially operated steam ships, a KSA official said.

The current shipping act targets unreasonable practices by foreign "government-operated carriers" to protect its shipping industry and the public from them, the official explained.

South Korea will be one of the main targets as the performance of South Korean and Taiwanese carriers has recently been outpacing their U.S. counterparts and thus American carriers are strongly demanding the law be revised to restrict their rivals, the official analyzed.

"It's absurd for the U.S. Government to pursue the revision because the competitiveness of its carriers has dropped in the international shipping market. It should immediately abandon the controlled carrier provisions and try to work out ways for U.S. carriers to become more competitive," the official said.

Kim Chong-pil 'Embarrassed' by U.S. Report

SK0411000995 Seoul MUNHWA ILBO in Korean 3 Nov 95 p 6

[Report by Cho Yong]

[FBIS Translated Text] Kim Chong-pil, president of the opposition United Liberal Democrats [ULD], is currently suffering from the "dotage of the Third and Fourth Republics," which have been resuscitated after a long history.

ULD President Kim Chong-pil, who is seeking to run for president based on his victory in local elections, appears to be embarrassed by a top secret report filed by the U.S. State Department 30 years ago that focused on exposing his negative aspects. The report has recently been declassified by the United States. Furthermore, prompted by the ever-expanding secret fund scandal involving former President No Tae-u, the ruling Democratic Liberal Party and the opposition Democratic Party have launched an offensive against Kim Chong-pil, branding him as "the founder of corrupt politics," once again raising issues about his former career.

The report, A-640, which was forwarded to the U.S. State Department by the U.S. Embassy in Seoul on 20 February 1963, referred to four major scandals: the wild fluctuations in the stock market following the involvement of the Korean Central Intelligence Agency [KCIA]; the Saenara auto incident; the slot machine incident; and the Walker Hill Hotel incident. The report focused on suspicions of corruption involving Kim Chong-il, who was then KCIA director. The report stated: "By fabricating stock prices during wild fluctuations in the market, the KCIA acquired at least four billion hwan [old ROK currency], and Kim Chong-pil acquired one billion hwan of personal interest. He spends five million hwan a week in kisaeng houses [yojong]."

U.S. State Department Report No. 491, dated 15 October 1963 and made public earlier than A-640, contains a shocking content that states "the Kim Chong-pil faction" developed a plan to assassinate Yun Po-son and Pak Chong-hui, the two presidential candidates for the fifth presidency.

ULD President Kim Chong-pil and his associates flatly denied the credibility of these U.S. State Department documents, emphasizing "they are a high-level tactic to slander and harm Kim Chong-pil." However, they seemed to be very tense about these reports. In informal talks with reporters on 1 November, ULD President Kim Chong-pil pointed out "they are reprehensible documents [koemunso] that merely compiled wild rumors and false reports circling around town," thus refuting them. Regarding a popular television drama now being aired about the 12 December incident [a military revolt by General Chon Tu-hwan, then commander of the ROK Army Security Command], ULD President Kim stated that "watching these preposterous and fictitious scenes, I realized 'history is the record of power,'" thus expressing his uncomfortable feelings.

Citizen Thanks U.S. Soldier for Rescue

SK0811074695 Seoul THE KOREA HERALD in English 8 Nov 95 p 3

[FBIS Transcribed Text] A senior citizen in Songnam has remitted $200 to Sgt. 1st Class Randall J. French in a token of gratitude for the U.S. serviceman's heroic rescue of three Korean civilians from a burning building in Taegu in August.

Chong Nam-sik, 68, of Songnam in Kyonggi Province, said yesterday she was "moved by and appreciative of what the foreigner did."

"Two hundred dollars is not much, but it's a token of my gratitude for his selflessness, and I thought I had to do something for his heroism," Chong was quoted as saying. She sent the money to French in Taegu Monday.

Defense Minister Yi Yang-ho gave a citation to French last Wednesday. U.S. Secretary of Defense William Perry also cited him with a "Soldier's Medal for Heroism" last Friday when he visited Seoul for the annual Security Consultative Meeting.

French, 35, of the U.S. 728th Military Police Battalion, was on his way from Camp Walker for lunch when he saw a fire breaking out at the Tongsongjang Hotel in Taegu Aug. 14. He stopped his car and ran into the burning building. Finding nobody left at the hotel rooms, French then searched an adjacent building, which was also in flames, and rescued three Koreans, witnesses said.

French also turned off gas valves in the hotel and two adjacent buildings and prevented a gas explosion.

Police Arrest 4 People for Not Reporting Agent

SK0811010995 Seoul YONHAP in English
0039 GMT 8 Nov 95

[FBIS Transcribed Text] Seoul, Nov. 8 (YONHAP) — The Seoul police arrested an opposition party official and former senior officials of "Chondaehyop," the National Council of Student Representatives, Wednesday on charges they did not report their meetings with a North Korean agent to the authorities concerned.

Those arrested for violating the National Security Law are Ho In-hoe, 31, an executive council member of the main opposition National Congress for New Politics (NCNP), Yi In-yong, 31, former chairman of the Korean University Student Council, Ham Un-kyong, 32, director of a private information and culture center, and U Sang-ho, 33, former chairman of the Yonsei University Student Council.

Ho was also chairman of the Korea University Student Council.

According to police, all of them met Kim Tong-sik, 33, the North Korean agent who was caught recently, but did not report him to authorities even though Kim had disclosed his identity to them.

However, Ho is denying the charges against him, the police said.

Government Urges North To Comply With Dialogue

SK0811074795 Seoul YONHAP in English
0655 GMT 8 Nov 95

[FBIS Transcribed Text] Seoul, Nov. 8 (YONHAP) — Song Yong-tae, vice unification minister, said Wednesday that North Korea should comply with normal inter-Korean dialogues to establish systems for inter-Korean economic exchanges including double taxation avoidance and investment guarantee agreements.

Delivering a congratulatory speech to a seminar hosted by the Federation of Korean Industries, Song said, "If normal inter-Korean economic cooperation is to make steady headway, North Korea should make its own efforts in that direction first."

The seminar was to commemorate the first anniversary of the government's announcement of the revitalization measures for inter- Korean economic cooperation.

Song also urged North Korea to change its attitude to improve the atmosphere for economic cooperation.

He said North Korea should return the crew of the '86 Usong, the South Korean fishing trawler captured by a North Korean patrol boat last May, immediately stop actions provoking South Korea, ease general conditions for inviting foreign capital including those concerning wages and land costs, end imposition of such unfavorable terms on South Korean enterprises as confining their business to a particular area and show a positive attitude toward further Opening and reform.

Song emphasized that economic cooperation should be made in accordance with market economy principles. He added, "We are asking the enterprises to push for economic cooperation prudently keeping pace with the overall progress of inter-Korean relations."

North Catholic Leaders Arrive in U.S.

SK2910103595 Seoul HANGUK ILBO in Korean
29 Oct 95 p 2

[Report by Cho Chae-yong from New York]

[FBIS Translated Text] Chang Chae-chol, chairman of the Central Committee of the Korea Catholics Association, and other four North Korean Catholic leaders arrived in New York via Northwest Airlines on the afternoon of 27 October. They will attend a seminar of Korean Catholics from the South, North, and overseas to be held at the Hilton Hotel in Fort Lee, New Jersey on 30 and 31 October.

After their arrival, they attended a welcoming mass led by Father Pak Chang-tuk of the Diocese of Koreans residing in America, organizer of the seminar.

Japanese Minister Makes 'Absurd' Remarks on Past

SK0811124595 Seoul TONG-A ILBO in Korean
8 Nov 95 p 2

[Report by Yi Tong-kwan from Tokyo]

[FBIS Translated Text] While controversy has not been settled over the remarks made by Japanese Prime Minister Murayama Tomiichi on Japan's annexation of Korea, it was belatedly revealed on 7 November that an incumbent Japanese cabinet member, Takami Eto, minister of the General Affairs Agency [as published], made absurd remarks on the past, saying that "Japan also did some good to Korea during the colonial days."

On 11 October, when Prime Minister Murayama's remarks were still a hot issue, Minister Eto from the Liberal Democratic Party attended a news briefing, at which he reportedly said: "Even though the Japan-Korea annexation was coercive and Prime Minister Murayama's remarks were inappropriate, if people begin to say that the Japan-Korea annexation was invalid, all international treaties would be invalid. It was an incident that took place when the country (Korea) was weak, thus we can do nothing now."

Minister Eto's remarks were not reported by the media because he spoke off the record, but were belatedly revealed on 7 November through the testimony of Japanese reporters who were present at the news briefing.

Minister Eto reportedly uttered such absurd remarks as: "Japan also did some good during the colonial days. Japan built schools in all cities, counties and towns, and founded the Kyongsong Imperial University, thus significantly improving education in Korea where there was no education that could be talked about. Japan also built 5,000 km of railway, renovated ports, developed tideland and irrigation, and planted trees on mountains."

He denied the coercive change of names, saying: "The policy to change Korean names into Japanese was not a proper thing to do, but we cannot say that all Korean people were forced to change names. Some generals were promoted with their Korean names," and added: "Koreans are working in the Japanese economic and art circles. This may be attributed to the Japan-Korea annexation."

'Shock and Anger' Expressed

SK0811062195 Seoul YONHAP in English 0606 GMT 8 Nov 95

[FBIS Transcribed Text] Seoul, Nov. 8 (YONHAP) — South Korea was angered and shocked Wednesday by the remarks of Japanese Management and Coordination Minister Takami Eto that Japan's colonization of the peninsula was good for Korea.

Issuing a statement denouncing the Japanese minister, the Foreign Ministry said Wednesday that "We can hardly restrain our shock and anger again over the distorted perception of history expressed by a Japanese politician, if the reports (on Eto's remarks) are true."

The statement also regretted that the Japanese minister made such remarks just ahead of the planned summit between President Kim Yong- sam and Japanese Prime Minister Tomiichi Murayama on Nov. 18 in Osaka, Japan, where the Asia-Pacific Economic Cooperation (APEC) summit will be held.

The statement urged the Japanese Government to take appropriate measures against Eto if the minister actually did make the remarks.

Future Military Ties With Israel Viewed

SK0711132695 Seoul CHOSON ILBO in Korean 7 Nov 95 p 2

[Report by Kyong Yong-won]

[FBIS Translated Text] There is a concern that the assassination of Israeli Prime Minister Yitzhak Rabin will wreck the ROK-Israeli military exchange toward which the governments of the two countries had been rapidly moving recently.

The military exchange between the ROK and Israel, which the ROK was promoting prudently being conscious of the Middle East countries, turned conspicuously active with Prime Minister Rabin's ROK visit toward the end of last year. A senior Defense Ministry official concerned with munitions and the defense industry secretly visited Israel at the beginning of this year to tour defense industries there. This was followed by an official visit to Israel by Defense Minister Yi Yang-ho—the first visit by an ROK defense minister—for four days last August.

During the visit, Defense Minister Yi signed a memorandum of understanding with the Israeli side on the ROK-Israeli military exchange and cooperation, thus providing an official basis for military exchange and cooperation between the two countries, and held a meeting to open the military attache's section as well. Then in September, Army Chief of Staff Yun Yong-nam toured Israeli defense industries for four days, thus heightening the mood for defense industrial cooperation between the ROK and Israel. The areas of the Israeli defense industrial technology in which the ROK is interested are the unmanned reconnaissance and offensive aircraft (RPV), various electronic equipment, the development of long-range air-to-surface missiles, and the new-type shell such as the 120 mm tank gun shell. At the same time, the North Korean 1,000 km range Nodong-1 missiles, which could threaten Israel if North Korea exports them to Middle East countries, facilitated the information exchange between the ROK and Israel.

Korean Shot Dead at Home in PRC's Panjin

SK0311131395 Seoul YONHAP in English 0843 GMT 3 Nov 95

[FBIS Transcribed Text] Seoul, Nov. 3 (YONHAP) — A 46-year-old Korean man was shot to death at his home in Panjin city, in China's northeastern Liaoning Province, last Tuesday when two armed robbers broke into his residence, a Foreign Ministry spokesman said Friday.

O Sang-kon was managing an electronics company in Panjin, southwest of the provincial capital of Shenyang, he said.

South Korea's Embassy in Beijing urged the Chinese authorities to make a thorough investigation into the murder case, the spokesman said.

EU To Suspend GSP Favors for Products

SK0511035695 Seoul THE KOREA HERALD in English 5 Nov 95 p 8

[FBIS Transcribed Text] Beginning Jan. 1, 1996, the European Union (EU) will suspend its extension of GSP (generalized system of preference) favors to Korean-made cars, electronics, footwear and textile products.

At the same time, the EU has decided to jack up the import tariff rate on CD-ROM (read-only memory) drives to 14 percent from the present 3.9 percent starting Nov. 22.

With the EU measures, Korean makers of cars, electronics, footwear and textile goods are likely to face serious difficulties in their exports of such products to the EU in the future, a spokesman at the Ministry of Trade, Industry and Energy (MOTIE) said yesterday.

The EU executive committee announced Saturday it would abolish the extension of GSP favors to specific goods produced by some developing countries with the per capita annual GNP (gross national product) of more than $6,000, beginning Jan. 1, next year.

Among the countries to be affected by the EU decision are South Korea, Saudi Arabia, Singapore and Brunei, the spokesman said.

In particular, the EU step will dampen Korean enterprises' exports of textile fabrics, plastic, rubber, automobiles, steel and machinery to the EU in the future, he said.

Kim Tae-chung on Funds Received From No

SK0811040895 Seoul YONHAP in English 0240 GMT 8 Nov 95

[FBIS Transcribed Text] Seoul, Nov. 8 (YONHAP) — Opposition leader Kim Tae-chung said Wednesday he did not receive from former President No Tae-u any additional funds other than the 2 billion won No gave him during the 1992 presidential election campaign.

Kim, president of the National Congress for New Politics, was quoted by a party spokesman as denying the allegations that he might have been given more money on other occasions besides during the election race, the opposition leader earlier confessed to having received 2 billion won from No during the campaign period.

"I did not receive a penny more than 2 billion won from No," Kim was quoted by NCNP Spokesman Pak Chi-won as saying. "I made an apology to the people for stirring up trouble in connection with my receiving the money from No."

The opposition leader then urged President Kim Yong-sam to make public the ruling party's election campaign expenses in 1992, claiming, "President Kim Yong-sam is neither disclosing the truth about the funds nor making an apology to the people."

Opposition Urges Action Against Business Tycoons

SK0811032695 Seoul YONHAP in English 0200 GMT 8 Nov 95

[FBIS Transcribed Text] Seoul, Nov. 8 (YONHAP) — Opposition parties urged the prosecution Wednesday to take legal action against those business tycoons summoned for questioning if they are found to have violated any laws.

The National Congress for New Politics (NCNP) said that if the prosecution's investigation reveals that they violated any laws, then the prosecution should take legal action against them in accordance with the principle that all people are equal before the law.

However, the NCNP also urged the prosecution to probe into President Kim Yong-sam's 1992 presidential campaign finances.

"We are worried about the possibility that the prosecution may try to shift the people's attention to the summoning of the business tycoons from the focal point of the investigation, that is, the source of President Kim's 1992 election campaign funds," NCNP Spokesman Pak Chi-won said.

Another opposition Democratic Party (DP) urged the prosecution to investigate the businessmen thoroughly, saying that the prosecution should not question the chairmen of the business groups just to satisfy a formality.

"The chiefs of the big business groups should reflect on themselves for their past wrongs and cooperate with the investigation to verify the truth. Now they should pay for their illicit acts and put an end to politics-business collusion," DP Spokesman Rep. Yi Kyu-taek said.

Meanwhile, minor opposition United Liberal Democrats (ULD) said that the business group chairmen should actively cooperate with the prosecution.

Prosecution Summons Business Tycoons

SK0811032495 Seoul YONHAP in English 0218 GMT 8 Nov 95

[FBIS Transcribed Text] Seoul, Nov. 8 (YONHAP) — Three leading industrialists — Samsung's Yi Kon-hui, LG's Ku Cha-kyong and Dong-Ah's Choe Won-sok — presented themselves to the prosecution Wednesday morning to answer questions regarding their relations with former president No Tae-u's 500-billion-won "secret fund."

An official said they would be asked to make clear the amount of money they had given No while he was in office during 1988-1993 and under what circumstances.

They are said to have given No cash gifts of 10 billion-35 billion won each on special occasions, such as Chusok (Korean thanksgiving day) and on lunar new year holidays.

The official said the prosecution would also try to find out whether the former president helped them win government contracts in return for their contributions.

Daewoo Chairman Kim U-chung and Lotte Chairman Sin Kyok-ho will appear as soon as they return from overseas trips, he added.

Jinro Group Chairman Chang Chin-ho underwent overnight questioning at the prosecutor-general's office before returning home Wednesday.

During the interrogations, Chang reportedly admitted to having given cash gifts to No but denied that he had made the contributions in exchange for business favors.

On Tuesday, the prosecution questioned Rep. Kum Chin-ho about his role in Hanbo Group Chairman Chong Tae-su's assistance in hiding No's slush fund.

Kum, No's brother-in-law, reportedly told his interrogator that he had asked Chong to help No hide part of the slush fund, adding that he had never made such a request to any other businessmen.

More Leaders To Be Questioned

SK0811092995 Seoul YONHAP in English 0837 GMT 8 Nov 95

[FBIS Transcribed Text] Seoul, Nov. 8 (YONHAP) — The heads of six more business conglomerates will be summoned by the prosecution Thursday for questioning regarding the 500-billion-won slush fund former President No Tae-u created while in office.

They are Cho Sok-nae of the Hyosung Group, Yi Tong-chan of the Kolon Group, Pak Yong-kon of the Doosan Group, Pak Kun-pae of the Haitai Group and Chang Chi-hyok of the Kohap Group.

Founder and honorary Chairman Chong Chu-yong of the Hyundai Group will also appear before the prosecution Thursday afternoon, as he failed to report Wednesday for health reasons.

Chairman Kim Chung-won of the Hanil Group presented himself to the prosecution at 5:00 PM Wednesday to answer questions about his relations with No's slush fund.

Prosecution Searches for Former Group Chairman

SK0711085495 Seoul YONHAP in English 0642 GMT 7 Nov 95

[FBIS Transcribed Text] Seoul, Nov. 7 (YONHAP) — A nationwide search for ex-Hanyang Group Chairman Pae Chong-yol was instituted on Tuesday by the prosecution stemming from charges that Pae allegedly gave huge bribes to former President No Tae-u in connection with the sale of a plot of land on which the Democratic Liberal Party's (DLP) political training center was located in 1992.

The Central Investigation Department of the Prosecutor General's Office expressed its intent on locating Pae, believing that if Pae's bribes to No can be substantiated, the ex-president's acceptance of the bribes can also be verified.

Having traced the fund outflows from 22 accounts at six banking institutions, including Kungmin Bank held by Hanyang when Pae headed the group, the prosecution has reportedly confirmed that some of the conglomerate's funds were funneled into No's accounts.

The DLP training center's plot scandal erupted in January 1992 when the then DLP Secretary-general Kim Yun-hwan put his initials on the plot's sales contract with the then Hanyang Chairman Pae.

In the face of opposition charges that the business group offered a large sum of political funds to the ruling party in return for purchasing its training institute's plot at a fraction of the market price, the ruling party revoked the provisional sales contract. But allegations were still rampant that the government granted Hanyang special favors in bank loans.

At the time, it was alleged that at the conclusion of the provisional sales contract, Hanyang contributed to the DLP 50 billion won to support the party's 1992 general election campaign.

No Involved in 'Elaborate' Money Laundering

SK0811062595 Seoul THE KOREA TIMES in English 8 Nov 95 p 3

[FBIS Transcribed Text] Former president No Tae-u, who has felt the anger of the country with the 500 billion won in secret funds he accumulated while in office, has proven to have engaged in a sort of loan business, lending his ill-gotten gains to companies in need in return for a handsome amount of interest and a chance to launder it.

The ex-president allegedly made an anonymous loan of 60 billion won to the Hanbo Business Group in 1993, when it desperately needed a hefty cash injection to complete a landfill project for a steelmaking facility in Asan.

The loan was so secretly engineered that even a top manager of the Hanbo inner circle had no idea of where the money came from, not to mention that No was the owner.

In a press meeting at the Supreme Public Prosecutor's Office (SPPO) Monday, Hango General Manager Pak Tae-kon said, "We were in dire need of money so we took the loan, never imagining that it was No's money."

He claimed that it was arranged that the loan would be repaid in six installments after a grace period of five years, and the annual interest rate was fixed at 8.5 percent.

The SPPO's investigation showed that Rep. Kum Chin-ho, an in-law of No's, contacted the Hanbo Group in 1993 with an offer of low interest loans as Pak alleged. Kum also went to the Daewoo Group, whose owner Kim U-chung has also allegedly laundered some of No's dirty money.

However, it is confirmed that at least Hanbo Chairman Chong Tae- su was aware that the loan came from No's secret cache.

According to the SPPO, Kum met one on one with Hanbo's Chong and, during the meeting, showed a borrowed name bank account containing No's money with a seal, offering to loan it to Chong in the hope that this would disguise its source and obliterate the trail leading back to No.

That loan arrangement was in 1993 after the presidential decree kicked in unexpectedly, and all bank transactions had to be carried out on a real-name basis, pushing No into a corner and sending him out in a desperate search for ways of laundering his illegal money.

No's ability to make money rivaled that of the professionals as he invested in financial merchandise that was hard to track and guaranteed handsome returns, people in the banking industry say.

His ex-security chief Yi Hyong-u allegedly arranged most of them for him, according to the SPPO probe.

Financial circles are stunned with the elaborateness of No's methods of laundering his money. One banker said, "No attacked loan sharks as public enemy No. 1 obstructing the economic development of the country. The bitter irony is that No himself proved to be the master of those he branded as the nation's worst public enemy."

Although it has yet to be decided what charges will be brought against No, the SPPO is considering charging ex-chief bodyguard Yi and Rep. Kim with the obstruction of official business.

No Tae-u in 'Remarkably Poor State of Health'

SK0811063395 Seoul THE KOREA TIMES in English 8 Nov 95 p 3

[FBIS Transcribed Text] Former president No Tae-u is said to be in a remarkably poor state of health with low blood pressure and an extremely low pulse rate.

This was stated yesterday by an Oriental medical doctor who has been checking up on No's health since he was in the Army over 20 years ago.

Han Song-ho, director of the Sindonghwa Oriental Medical Clinic in Sinsa-tong, southern Seoul, said after seeing the disgraced ex-president at his Yonhui-tong home, "I have been feeling his pulse (for diagnostic purposes) over the past 20 years, and today he was in the worst condition I've ever seen him."

"His blood pressure was below 70 and his pulse was below 50 per minute, much lower than normal," he said.

Han attributed the deteriorating health of the former president to the mental shock of the slush fund scandal.

He recommended "absolute stability" and "adequate rest" rather than the prescription of medicine. He visited No's house upon hearing his condition has not been good.

Political Entities Comment on No Tae-u Scandal

SK0811073695 Seoul THE KOREA TIMES in English 8 Nov 95 p 2

[From the "Press Pocket" Column]

[FBIS Transcribed Text] **Order From Above**

Pak Chi-won, spokesman of the National Congress for New Politics (NCNP) led by Kim Tae-chung, has argued that President Kim Yong-sam has virtually instructed prosecutors not to investigate any presidential campaign fund which he might have received from former president No Tae-u.

As evidence, NCNP spokesman Pak cited the fact that President Kim publicly claimed that he did not receive even a single penny from No. This, Pak said, is a virtual instruction to prosecutors to leave President Kim out of the No slush fund scandal.

As a result, Pak said the ongoing investigation is a farce and the players have no real intention of getting to the bottom of the unprecedented presidential money scandal.

As it stands the investigation is trying to stitch together random pieces of cloth according to a pattern drawn by the higher authority, NCNP spokesman Pak said.

More of Suspect

The ruling Democratic Liberal Party [DLP] led by President Kim Yong-sam violently reacted to the NCNP move to tarnish the image of President Kim with unfounded accusations by holding a public hearing.

DLP spokesman Rep. Son Hak-kyu said what the political world needs to do at present is to wait for the outcome of the investigation into No's slush fund. He said that the current investigation will unveil whether or not President Kim received campaign funds from No.

However, the NCNP is campaigning to "disgrace" President Kim, who is the head of state, by determining, without any evidence, that the President dipped into the murky swamp represented by the No funds.

Regarding the NCNP demand for an Assembly hearing on the money scandal, the DLP spokesman said this was only a tactic to distract public attention from the confession of NCNP president Kim Tae-chung to having received 2 billion won from No.

DLP spokesman Son said, "Technically speaking, he is more of a suspect subject to investigation in the case, since he admitted to the acceptance of No's slush funds."

Delphic Words

No's brother-in-law, Rep. Kim Pok-tong of the United Liberal Democrats (ULD), has opened his mouth regarding No's money, but with a delphic pronouncement that could be interpreted either as criticism or sympathy.

He said, "Several millions of won is enough to live on. What would be the use of hiding several hundreds of billions of won?"

He said he doubted whether his brother-in-law would have amassed that much money for his personal benefit. Showing dissatisfaction with the way prosecutors are now conducting the investigation and the rising public displeasure with No, Rep. Kim asked "Will the people really feel their anger given vent if No, who is already as good as dead, is sent to jail?"

Then he criticized business leaders. "Isn't it the case that No received money because they gave it to him?" he asked.

Wait and See

Rep. Kim Chong-pil, president of the United Liberal Democrats (ULD) is being economical with public statements as far as the ongoing investigation of No's slush fund is concerned.

The ULD leader, who is also suspected of having 10 billion won in hidden bank accounts, said what is important is to wait for the outcome of the "authoritative" investigation by prosecutors.

It is not proper for responsible people to say this and that from the sidelines as the investigation is well on its way down the road, he averred.

Regarding controversy on the issue of the disclosure of the 1992 presidential campaign fund, he said, "Well, I don't know." However, he indicated that he is keeping track of the developments in the money scandal by saying," I know as much as you do about the case."

Tough Stand

Chongwadae is getting sterner in its attitude towards the investigation of the No Tae-u slush fund scandal, suggesting that there will be prosecution summoning of more businessmen suspected of giving the former president money in return for business favors.

"We must accept the adverse side-effects the probe on businessmen will have on the overall economy. We must pay the price for justice," said a senior official in charge of civil petitions and inspection, insisting on the customary anonymity.

This is in sharp contrast with the presidential office's former position. Earlier, most senior Chongwadae officials said that the prosecution probe into the business circle should be minimal in consideration of the economic fallout, indicating that the business leaders to be summoned will be only a few.

Despite their prediction, prosecutors have been adamant in issuing summonses to business leaders, including Hanbo chairman Chong Tae-su, Daewoo chairman Kim U-chung, Jinro chairman Chang Chin-ho, Dongbu chairman Kim Chun-ki and Hanil chairman Kim Chung-won.

"The honor of state prosecutors is at stake in this case. So they will not let anyone violating the law evade its probe," the Chongwadae official said.

Tax Authorities To Put Off Scandal Probe

SK0811031995 Seoul YONHAP in English 0111 GMT 8 Nov 95

[FBIS Transcribed Text] Seoul, Nov. 8 (YONHAP) — Tax authorities will not immediately, probably not within the year, begin looking into the finances of businesses linked to former president No Tae-u's secret fund in a bid to minimize the scandal's impact on the economy.

A ranking official of the National Tax Administration (NTA) said Wednesday that he is concerned about the difficulties the economy would face if businesses involved in the scandal undergo tax investigations, noting the scandal has already propelled the country into political turmoil.

Even if the prosecution refers the companies suspected of having dodged taxes in the course of helping No raise the slush fund to the NTA for confirmation of suspected tax evasion, he said, the NTA will not immediately begin a tax probe of these companies. "We will probably make it during the coming regular tax investigations, he added.

With the year's end fast approaching, businesses are exerting all-out efforts to achieve their export goals set for this year and a tax investigation at this point in time would only hinder these efforts, he remarked.

Lack of 'Curb Market Loans' Hurts Firms

SK0711062995 Seoul THE KOREA TIMES in English 7 Nov 95 p 9

[By staff reporter Sa Tong-sok]

[FBIS Transcribed Text] The scandal aroused by the secret fund of former President No Tae-u is putting small and medium-sized firms under severe strain as the curb market has been crippled in its wake.

In fact, two medium-sized furniture and apparel makers — Sangil and Nonno — went bust last week, reflecting the tough financial squeeze facing small industry.

Industry analysts attribute the two companies' ill fate primarily to loose management and inappropriate business expansion but the banking community blames the No scandal in part on their collapse.

"With the ripple of the secret fund scandal continuing to spread, smaller firms are finding it increasingly difficult to get loans at the curb market," a banking analyst said.

Sangil, a medium-sized furniture manufacturer, went bankrupt Oct. 31 after failing to honor maturing bills worth 500 million won. Three days later, Nonno, which had been under court receivership since early in 1992, was declared bankrupt due to its failure to honor bills.

The two companies' sudden collapse is expected to bring tens of their subcontractors, mostly small companies, down too. "It stands to reason that if prime contractors go bust, subcontractors will follow suit," a market watcher said, adding that Sangil and Nonno each have tens of subcontractors.

This is because subcontractors are unable to discount the bills that they have received from their prime contractors and they have no other way to recoup their merchandise bills.

According to the Korea Federation of Small Business, 66 percent of small and medium-sized firms that use curb market loans have fewer than 20 employees and most of them use the money as operating funds.

"The paralysis of the curb market hits small marginal firms most severely because they rely heavily on curb market loans," a KFSB spokesman said. Since the secret fund scandal erupted, many of the loan sharks on the curb market have disappeared out of fear that they might fall prey to the latest prosecution investigation, causing a severe credit crunch for marginal companies.

?)edicted a chain of bankruptcy among construction subcontractors, noting that a number of large construction companies are reportedly involved in the latest secret fund scandal.

Government Heavy-Handedness Leads to Corruption

SK0711060695 Seoul THE KOREA TIMES in English 7 Nov 95 p 8

[Article by economic editor Pak Chang-sok: "'Tae-u Group' and Korean Chaebol"]

[FBIS Transcribed Text] Dr. Jekyll in Robert Louis Stevenson's "Dr. Jekyll and Mr. Hyde" is often used to describe the "double-playing" of former president No Tae-u who pocketed hundreds of millions of dollars while in office. Dr. Jekyll discovers a drug that enables him to change back and forth between his own pleasant personality and a vicious brutal one named "Mr. Hyde." No was the chief executive responsible for state administration during the day but turned into the head of a ring that extorted money from businessmen at night.

As president from 1988 to 1993, No amassed a fund of 500 billion won (650 million dollars) scattered in secret bank accounts. He tearfully admitted the pocketing of

221 million dollars from the fund when he left office. Few believe No himself unveiled the real amount of the fund during his televised apology. The total amount could soar sharply as the investigation is still looking for more accounts and real estate at home and abroad.

How big is the fund accumulated by No? The figure is a puzzle game for ordinary citizens. An easily-understandable calculation is that the 500 billion won could buy 125,000 Ticos. It could also save 1,000 small- and medium-sized companies from bankruptcy. It would take someone earning 1 million won a month about 37,500 years to make 500 billion won. It would be enough to set up three to four banks. The size of the slush fund is surely astronomical. Given the size of the fund and the portfolio he and his family have, it is no exaggeration to say that No could be called the owner of the "Tae-u Group."

No's tearful apology was not accepted. Street demonstrations rage for the criminal punishment of No. The fury mounts. The prosecutors' probe is spreading to businessmen suspected of having given money to the former president.

"Political fund," "slush fund," "secret fund," "donation fund," "governing fund," "....fund" there are many ways to describe the money No hid in bank or nonbank accounts in the names of relatives or others (sometimes even under aliases). But its nature is still the same. The accumulation of the money was made behind the curtain. It is illegal. It entails tax evasion. It has political connections all the way.

The donators are owners of business groups or "chaebol." The receivers are politicians. The president, who governs the ruling party, is at the top of collecting money and doling it out to politicians, sometimes to even opposition politicians.

The "Tae-u Group" is surely a titanic monster forged through black dealing between the business groups and a cash-hungry president. His punishment can somewhat melt down the boiling resentment. But it cannot be a permanent solution. Last week, the leaders of top business groups resolved to cut ties with politics in a statement. They have often done similar things. Their resolution is not new.

The solution can be found through analyzing the thus-far ties between the government and business community, marked by a kaleidoscope of sugary or sour relationships over the past couple decades. Korea, Inc. has been celebrated as a good example of a business-government partnership that in part has contributed to pulling up the status of the Korean economy to an outstanding level envied by other developing countries. But the reality under the domineering Kim Yong-sam non-military administration is the continuation of tensions and strains.

Modeled after the Japanese zaibatsu of the 1930, a few chaebol such as Hwashin, Samsung, and Lucky were already at the forefront of business before the 1950-53 Korean War. It was under the late president Pak Chong-hui that groups developed. Chaebol have been provided with a variety of financial incentives and tax favors from the authoritarian governments under the policy of early accumulation of the corporate capital fund. The military governments, which continued up to the No Tae-u administration, needed money for various political dealings to keep their "fragile regimes," which were often been [as published] the target of "legitimacy controversy."

Although businesses became powerful, it is still the government that controls the landscape of the Korean economy. The government has a knife in one hand and an arrow in the other. It is able to freely wirepull the businesses. It can easily manipulate businesses as it desires by delaying licenses for corporate projects and discouraging their access to bank loans. In the worst case, it can even punish the so-called "persona non grata" through such powerful weapons as tax audits and anti-fair trading investigations.

The Kim administration is different than the military governments. But the situation remains unchanged in terms of chaebol policies.

The tactics of scaring tycoons are the same. Hyundai Group's Chong Chu-yong, Samsung's Yi Kon-hui, and Sunkyong's Choe Chong-hyon were among those whipped by President Kim for either challenging his presidential candidacy or criticizing his economic policies.

They faced financial sanctions or a delay in getting licenses for their investment projects.

If they were in the doghouse of the president, Korea's businesses cannot stand alone. President Kim boasts that he has not taken a single penny from businessmen since assuming the office in 1993. Few doubt post-inauguration collusion with business. But how he had been before his inauguration is anybody's guess.

An immediate task to put an end to the inveterate government-business alliance is for the government to boldly cast off the old clothes of licensing corporate projects and intervening in financial institutions' affairs. The bold lifting of restrictions on business activities is a short-cut to uprooting the corruptive practices between the government and business once and for all. Regulation is the apple of causes brewing political power-linked corruption.

Like a Dr. Jekyll, there are too many double games in Korean society. Double accounting, the double price system for grains, double celebration of New Year's holidays..... The market is not dominated by an "invisible hand" as advocated by Adam Smith. The market irregularly fluctuates on the strength of many "visible hands." Politicians' window guidances are the primary hands influencing the market. The rules of games should be transparent and a deathknell should be sounded to put an end to all artificial guidances. An end must be also put to all double marketing structures.

What matters seriously is the double game played by the governing camp toward business groups. If the government continues to remain a licenser, businesses will continue to stay bribers.

No Said To Hold Additional 200 Billion Won

SK0811122095 Seoul YONHAP in English 1200 GMT 8 Nov 95

[FBIS Transcribed Text] Taegu, Nov. 8 (YONHAP) — Rep. Pak Kye-tong, who first divulged former President No Tae-u's slush fund scandal, claimed Wednesday that No has stashed some 200 billion won more in black money.

Maintaining that the ruling camp is attempting to reach a political compromise on the scandal under a theory that a thorough probe of the matter would endanger the nation's economy, the lawmaker of the minor Democratic Party said, "In the event the ruling camp attempts to resolve the scandal politically, I'll reveal No's additional slush fund amounting to about 200 billion won. I've collected sufficient proof of it."

Rep. Pak made the remarks in a lecture he delivered at the auditorium of the Teachers' College, Yongnam University Wednesday afternoon at the invitation of the college's Student Council.

"Slush funds raised from such major projects during No's 1988-93 reign as the Yulgok arms procurement program, Susoe land development project and the construction of a number of golf courses should reach roughly over one trillion won," Pak alleged. "It is a matter of common sense that a considerable portion (of the funds) went into No's pockets."

"No is not staggering as yet, but it is President Kim Yong-sam who is in dilemma as the latter is subject to the former's blackmailing," Pak added.

Calling for the achievement of a generational shift in politics by means of eliminating the chronic political corruption and electing fresh and competent representatives, Pak urged the general public to enhance their political awareness.

U.S. Said To Possess Information on No's Case

SK0711030795 Seoul YONHAP in English 0202 GMT 7 Nov 95

[FBIS Transcribed Text] Seoul, Nov. 7 (YONHAP) — Rep. Cho Se-hyong, vice president of the opposition National Congress for New Politics (NCNP), claimed Tuesday that Seoul could obtain information from the United States Government upon request about the Swiss Bank account that the No Tae-u family allegedly holds.

Upon arriving at Kimpo International Airport from California with Yu Chae-kon, another NCNP vice president, Cho revealed that they had met the United States federal prosecutor who had investigated No So-yong, daughter of the ex-president, and her husband on suspicion of illegally bringing some 190,000 U.S. dollars into the country in 1993.

The federal prosecutor suggested that the money originated from a Swiss bank, evidenced by a Swiss bank's wrapping paper on the cash. He also obtained from Swiss authorities information on the bank account from which No's daughter allegedly withdrew the funds in question.

Cho announced that U.S. officials promised to willingly cooperate in disclosing the information on the No family Swiss bank accounts if the South Korean Government formally applies for it.

If the government really wants to confirm the No family's alleged Swiss bank accounts, it had better ask for the U.S. Government's cooperation rather than from Swiss authorities, the NCNP vice president added.

Through U.S. court records of the trial of No So-yong and her husband, Cho said that he had confirmed that South Korean officials, including the then Ambassador Hyon Hong-chu, asked trial officials not to make the case public.

Both Cho and Yu left for California on Nov. 1 for a fact-finding trip on the No family's property allegedly hidden oversea. Cho added that he would expand the issue of No's hidden property on the basis of the information he got in America after consultation with his party.

Prosecution Probes Hanbo, Hanyang Chairmen

SK0511033695 Seoul YONHAP in English 0205 GMT 5 Nov 95

[FBIS Transcribed Text] Seoul, Nov. 5 (YONHAP) — The prosecution is investigating into allegation that Hanbo Group Chairman Chong Tae-su and former Chairman of Hanyang Group Pae Chong-yol have contributed enormous amount of money to No's slush fund, a prosecutor said Sunday.

The prosecution has obtained court order to probe Chong's accounts at Donghwa Bank and Pae's accounts at Shinhan Bank to confirm the allegation.

The prosecution summoned Chong Saturday and questioned him until 2:00 AM Sunday [1700 GMT 4 November]. Chong was quoted as saying that he transferred No's false name bank accounts worth more than 50 billion won to real name ones to use the money for his business.

The prosecution will summon Chong again sooner or later for further questions.

Yi Chong-su, prosecutor at the Central Investigation Department of the Supreme Public Prosecutors' Office, said, "We have suspicion that Chong and Pae provided No with enormous amount of money for their lobbying activities. We are probing into their bank accounts to understand the amount of money they gave No."

Citizens Polled on Slush Fund, Reforms

SK0611105195 Seoul YONHAP in English
0850 GMT 6 Nov 95

[FBIS Transcribed Text] Seoul, Nov. 6 (YONHAP) — The majority of citizens attributed the unveiling of former President No Tae-u's slush fund to reforms implemented by the incumbent administration such as the introduction of the real-name financial transaction system and the planned imposition of a composite financial income tax system, a public opinion poll disclosed Monday.

According to a nationwide telephone poll of 1,053 men and women, aged 20 or older, commissioned by the Information Ministry and conducted by the Korea research center from Oct. 31-Nov. 2, 74.2 percent of the respondents answered "yes" when asked if they believed the incumbent government's reforms contributed toward unearthing the slush fund, while 21.1 percent said "no."

Asked how faithfully President Kim Yong-sam has been keeping his promise not to accept political contributions from businesses, 39.0 percent gave an affirmative response, while 37.9 percent reacted negatively and 23.1 percent opted for "I don't know" or gave no answer.

When asked if they think that pledge by President Kim is helping to eliminate alleged collusion between political leaders and businessmen, 61.1 percent of the respondents gave an affirmative reply.

Another question asked was how they compared the moral integrity of the Kim Yong-sam administration with that of the Fifth and Sixth Republics. Of the respondents, 57.6 percent replied that the current administration's integrity is greater or somewhat more elevated, while 27.5 percent said it is more or less the same.

As to the need for political reforms, 71 percent of the respondents opted for "they are necessary to a great extent" and 22 percent said "they are necessary to some extent."

As to the direction of political reforms, 46.6 percent gave "the creation of a clean political atmosphere": 20.7 percent, "specialization of politicians": 18.1 percent, "political awareness on the part of the citizens": and 13.3 percent, "fostering of next- generation politicians."

Asked to comment on the incumbent government's probe of slush fund scandal involving No, 51.0 percent said that it is not thorough enough, while 38.6 percent said that it is being conducted in a thorough manner.

Sinsegi 'Determined' To Choose Analog System

SK0711052495 Seoul THE KOREA HERALD
in English 7 Nov 95 p 8

[FBIS Transcribed Text] Despite stiff opposition from the government and the domestic CDMA (code division multiple access) equipment makers, Sinsegi Telecomm remains determined to push ahead with its analog cellular service plan.

Surprisingly, the Ministry of Information and Communication, which has been hostile to Sinsegi's possible conversion to analog service, is showing signs of compromising on Sinsegi's analog plan, apparently under pressure from the U.S. government.

Amid the growing talks that Sinsegi's official announcement of plans to launch its cellular-phone service with an analog system is imminent, a news conference, scheduled to be held by Sinsegi's chief executive officer, Chong Tae-ki, this morning, is drawing particular interest.

Chong, who recently replaced the soft-spoken CEO Kwon Hyok-cho, is predicted to stress the need for Sinsegi to start with an analog service at the conference.

Whenever rumors about the company's possible switching to analog system surfaced, Sinsegi officials strongly denied the rumors as being groundless.

But Sinsegi Telecomm has gradually changed its position in recent weeks, conceding late last month that it has set up a contingency plan on starting an analog cellular service in April of 1996.

"Though Samsung Electronics Co., the sole CDMA equipment supplier for Sinsegi, has successfully test-operated its CDMA system, the domestically developed digital system is still unreliable in some aspects," said a Sinsegi executive.

"Nevertheless, Sinsegi's analog service plan does not mean that Sinsegi will give up the purchase of Samsung's CDMA equipment. Sinsegi plans to offer the analog service for the time being until the digital CDMA technology gets stabilized," the executive said.

Meanwhile, the Ministry of Information of Communication, which has vowed to annul Sinsegi's cellular license should the company continue to stick to its analog service, is reportedly moving to positively consider Sinsegi's analog plan.

The change in the ministry's position is particularly controversial because Sinsegi was awarded its cellular license on conditions that it start its cellular service only with the domestically developed CDMA system.

Industry analysts link the ministry's alleged move to authorize Sinsegi's analog plan with a trade pressure from the U.S. Trade Representative (USTR).

A senior USTR official has recently met with the Korean ambassador in Washington to ask the Seoul government to allow Sinsegi to offer analog cellular service.

The analysts say that the USTR move was motivated by pressures from a group of U.S. telecom equipment manufacturers, which hold a considerable stake in Sinsegi Telecom.

Sinsegi is currently managed by Pohang Iron & Steel Co. which has a 14-percent interest. Other large shareholders include three U.S. entities — Airtouch (10.6 percent), Western Bell (7.8 percent) and Qualcomm (2.5 percent). The U.S. companies, whose combined stake actually exceeds POSCO's, have openly expressed distrust over the Samsung-built CDMA system.

The U.S. shareholders want to obtain a quick return from their investment in Sinsegi by leading the company to start with the proven analog system, instead of the CDMA system which has yet to be commercialized worldwide.

In fact, a top manager of Air Touch has visited Korea's MIC to ask for support in converting Sinsegi's cellular system to analog.

In addition, U.S. telecom service providers and equipment manufacturers are said to be concerned that Korean companies would emerge as the leader in the CDMA cellular field. Some U.S. analog system makers have also purposely downgraded the Korean-made digital system in an apparent attempt to sell more analog equipment to mobile-phone operators here.

What is worse, Pohang Iron & Steel Co. and Kolon Group, the two largest Korean shareholders of Sinsegi with a stake of 14 and 13 percent, respectively, have shown little interest in making Sinsegi one of the world's first companies to provide CDMA service.

"Sinsegi executives have reached the conclusion that it will be very difficult for Sinsegi to meet its digital cellular service deadline of next April, because of instability in the domestically- developed digital CDMA system," said a Sinsegi spokesman.

"Considering the current technological development, it will be almost impossible to initiate a normally operating CDMA service on time in next April. Sinsegi will suffer a huge loss of operating revenues, if the service deadline is not met. In addition, Sinsegi's corporate image will also be seriously hurt," the spokesman stressed.

Telecom Head on Cellular Service Choice

SK0811070895 Seoul THE KOREA TIMES in English 8 Nov 95 p 8

[FBIS Transcribed Text] Chong Tae-ki, president of Sinsegi Telecomm, called on the government to allow his firm to offer analog cellular service prior to the introduction of digital service.

Over lunch yesterday, Chong told reporters, "We expect the Information-Communication Ministry to take measures guaranteeing an effective competitive environment' between Sinsegi and existing operators," referring to the analog system adopted by current operators prior to the introduction of the digital system.

Samsung Electronics Co. has been developing CDMA (code division multiple access) equipment which uses the digital system for Sinsegi in an exclusive agreement.

Chong, who became chief executive of the second private cellular phone service operator, said a majority of shareholders, including the major shareholder Pohang Iron & Steel Co. (POSCO), have insisted on using the analog system for the time being for fear of a possible poor start.

POSCO has a 14 percent stake in Sinsegi which is capitalized at 350 billion won. Other major shareholders from the United States have been in the same position with POSCO. The U.S. shareholders include Airtouch (10.6 percent), Western Bell (7.8 percent) and Qualcommm (2.5 percent).

Chong said, "An additional 50-100 billion won will be required to introduce the analog system as a back-up for the digital service."

The shareholders reached agreement about the analog system last April, after a split by, Airtouch, which initially favored CDMA equipment by Motorola Corp. of the United States.

He also called for easing regulations on services, such as obligatory service charge ranges of 3 percent with rival providers. He said, "For a newcomer it is very difficult to compete with existing firms if the regulations are not eased."

Sinsegi is expected to suffer an estimated 23 billion won loss a month if its entry is delayed into the sector. The company is to start operations in April.

But he also pledged to push ahead with commercial service utilizing the CDMA system next April.

"Commercial service will be possible once phone service reaches the level of quality we expect," Chong said, indicating a delay or switch to the analog system.

The Information-Communication Ministry's position to cancel Sinsegi's license if it switches the digital system to analog is expected to be contested by its U.S. partners, a report said.

A senior U.S. Trade Representative official recently met with the Korean ambassador to the United States in Washington and urged the Korean government to allow Sinsegi to offer analog cellular service.

Reforms To Improve Construction Industry Safety

SK0811065395 Seoul THE KOREA TIMES in English 8 Nov 95 p 8

[FBIS Transcribed Text] The government will introduce surety bonds and new management techniques to improve the safety of construction projects and to enhance the overall competitiveness of the domestic industry.

The Ministry of Construction and Transportation said yesterday that a new set of measures is being incorporated to restructure the domestic construction market in anticipation of the expedited opening of the market from 1997.

According to the ministry, the design and safety evaluation of the domestic construction industry lags far behind leading companies in advanced countries and a more integrated form of project management is in dire need.

Especially, officials said, the practice of subcontracting small construction companies in large projects is contributing to eating away at the safety factor, making it necessary for immediate steps to be taken.

As a major part of the program, the ministry will upgrade the status of small construction companies to protect their rights as well as to ensure that they are properly qualified for such projects.

At the same time, the ministry will push for the fostering of qualified manpower, boosting the self-sufficiency ratio for skilled personnel from the current 50 percent to 70 percent by the turn of the century.

"While enhancing the competitiveness of the construction industry, we are also seeking to promote the welfare of small construction companies as well as construction workers," one ministry official explained.

Another area facing improvement is the procurement of superior quality materials which has come under the spotlight in such unfortunate incidents as the collapse of the Songsu Bridge across the Han River.

The overall improvement in the quality of construction will mean that companies will be able to obtain such international certifications as the ISO (International Organization for Standardization).

Appeal Filed on Ex-Presidents Clause

SK0811093095 Seoul YONHAP in English 0749 GMT 8 Nov 95

[FBIS Transcribed Text] Seoul, Nov. 8 (YONHAP) — A lawyer on Wednesday filed an appeal with the Constitutional Court seeking a review of the law related to the special treatment of former heads of state, insisting that the legislation allows ex-presidents excessive privileges and thus violates the law governing equal rights.

In his appeal, Yi Suk-yon, a member of the Seoul Bar Association, claimed the special treatment law violates the Constitution's Clause 11, which reads "All men are equal under the law," by granting special privileges to former presidents which are paid for using the national budget, even in cases when a president commits a crime.

He backed his petition, saying all public servants are subject to having their pensions and retirement pay reduced if they are sentenced to any penalty of imprisonment or similar heavy punishment.

Referring to the nation-rocking slush fund scandal involving former President No Tae-u, the lawyer went on to say, "The ex-president is receiving special treatment without a rational foundation, although he has caused many people pain with his secret fund scandal.

Securities Firms Experience 'Poor Showing'

SK0811053195 Seoul THE KOREA TIMES in English 8 Nov 95 p 9

[FBIS Transcribed Text] Securities companies made a poor showing during the first half of fiscal 1995 ending in September with combined losses amounting to more than 400 billion won, according to a report released by the Securities Supervisory Board yesterday. Of the nation's 32 brokerage houses, only nine posted surpluses. The rest sustained combined net losses of 368 billion won.

During the first half of fiscal 1994, the 32 brokerage firms recorded a combined profit of 329.6 billion won.

The securities watchdog body attributed the poor performance of the securities houses primarily to the continuing slowdown in the stock market, which resulted in a sharp drop in their commission income.

Simultaneously, securities companies suffered losses in the operation of their stocks in proprietary accounts due to the stock market downturn. Market analysts said brokerage firms also had to cope with rising financing costs as a result of their increased investment in bonds.

Small and medium-sized firms joined the list of companies registering surpluses while most large-capitalized securities companies suffered losses.

Of the nine firms that registered profits, Hanshin Securities ranked first with 8.6 billion won, followed by Shinyoung (5.1 billion won), Bookook (2.7 billion won), KFB Securities (900 million won), Kunsol (200 million won), Daeyu (400 million won), Yuhwa (300 million won), Chohung (200 million won) and Shinheung (20 million won).

Daishin Securities Co. posted the largest semiannual loss of 43.8 billion won, followed by LG (36.4 billion won), Dongsuh (32.8 billion won), Coryo (30.7 billion won), Sunkyong (28.4 billion won), Ssangyong (27.5 billion won), Tongyang (20.5 billion won), First Securities (18.2 billion won) and Hanyang (18.1 billion won).

Ministry 'Tentatively' Not To Recognize Groups

SK0411004195 Seoul THE KOREA TIMES in English 4 Nov 95 p 3

[FBIS Transcribed Text] The government has tentatively decided not to recognize the progressive labor organization, Minju Nochong, or the Korean Council of Trade Unions (KCTU), which is due to be inaugurated next Saturday [11 November].

The Labor Ministry yesterday said that the KCTU cannot be accepted as a legal labor organization, as the existing labor laws only provide for one labor union federation, the Korean Federation of Trade Unions (KFTU).

Currently, the conservative KFTU is the sole labor organization "officially" representing labor unions around the nation.

With this judgment, the ministry will refuse to accept an application for the KCTU's inauguration which is expected to be submitted mid-November, the official said.

"In addition, KCTU has denounced the existing labor laws, by indicating it advocates political activities and socialist reform in its platform and other regulations," a ministry spokesman said yesterday.

The ministry also judged that the new labor group would not contribute to a "productive" relationship between labor and management, the official said.

KCTU now has 340,000 union members from 746 unions, some 20 percent of the nation's employees, while the rival KFTU has 1,150,000 from 4,426 unions, about 69 percent.

The remaining 1,835 unions, representing 161,000 workers, maintain a neutral line between the two.

However, the progressive KCTU is believed to exercise a greater say in the Korean labor movement, as it represents such major unions as those at the Hyundai and Daewoo Business Groups.

KCTU has been reeling from the desertion of member unions, and is denounced as a "kept" labor group.

With the government's refusal to recognize the KCTU, which already established a substantial influence, the government-labor relationship is expected to take a turn for the worse.

Meanwhile, police placed three of the organization's leading members under arrest Thursday for their alleged violation of the National Security Law and labor laws. The three are Mun Song-hyon, 43, Kim Yong-kon, 44, and Pak Chan-sik, 32.

In a clear sign the government is taking the offensive against the progressive labor group, the activities of the KCTU leadership were brought under the close check, and their bank account books confiscated by police, Thursday.

Imports of Foreign Electronics Rising

SK0711052695 Seoul THE KOREA HERALD in English 7 Nov 95 p 8

[FBIS Transcribed Text] The imports of foreign home electronic appliances have been on the sharp rise to account for more than 20 percent of the domestic market share by the end of this year, a local research body said.

LG Economic Research Institute, a research unit of the LG Group, said yesterday that Korea's electronic appliances market is estimated to total 5.3 trillion won ($6.8 billion) this year, up 10.1 percent from 1994.

The domestic sales growth of locally-produced appliances, however, is likely to remain at 3.5 percent to about 4.2 trillion won, it said.

In contrast, imported electronic appliances will likely see their sales soar a hefty 50 percent to amount to 1.1 trillion won.

This will push up the share of foreign electronic products from 16.3 percent last year to 20 percent this year, the institute estimated.

In the first nine months of this year, the imports of home electronic appliances totaled $1,017 million, or an increase of 46.1 percent from a year earlier.

The imports of TV sets in particular jumped 112 percent to total $15.59 million, and those of videocassette recorders soared 103 percent to $51.84 million, it said. Refrigerators and washing machines also saw their imports grow 31 percent and 21 percent to amount to $47.85 million and $10.54 million, respectively, over the cited period.

Brunei, Malaysia & Singapore

Malaysia

Minister Concerned Over U.S. Nuclear Experiment

BK0711084795 Kuala Lumpur THE STAR in English 7 Nov 95

[Unattributed report — received via Internet]

[FBIS Transcribed Text] Kuala Lumpur — Malaysia has voiced concern over a Radio Australia report that the United States plans to carry out a series of nuclear "experiments."

Information Minister Datuk Mohamed Rahmat said "experiments" were the same as tests, adding that Malaysia was "against all forms of testing or experiments."

However, when asked whether it would send a memorandum of protest to the United States, he said "we have only heard the news. You will see what we will do after this."

He was speaking to reporters after receiving a memorandum of protest from UPM [Malaysia Agriculture University] students against France's nuclear tests.

The foreign report quoted a US Energy Department spokesman as saying that Washington would carry out a series of nuclear "experiments" underneath the Nevada Desert early next year and in 1997.

The official said there would be six explosions involving a combination of conventional explosives and nuclear materials but denied this was a threat to the Comprehensive Test Ban Treaty.

Mohamed also challenged France to conduct its next nuclear test in France itself and took to task French Ambassador Eduoard Braine for brushing aside the all-party anti-nuclear protest from 25 political parties in Malaysia.

Asked whether Malaysia would initiate a boycott of French goods, Mohamed said any decision would wait until the outcome of the Commonwealth Heads of Government Meeting (CHOGM).

The meeting is expected to discuss the French nuclear tests in the South Pacific. Mohamed also expressed regret that Britain, a Commonwealth member had thrown its support behind France.

Satellite Project Discussed With U.S., Canada

BK0611101095 Kuala Lumpur BERITA HARIAN in Malay 6 Nov 95

[Unattributed report — received via Internet]

[FBIS Translated Excerpt] Vancouver (Canada), Sunday [5 November] — Malaysia, the United States, and Canada are sharing information technology by building 26 information data transmission satellites through a project called ORBCON [expansion unknown].

The RM [Malaysian ringgit] 100 million project was launched through the joint cooperation of Technology Research Industries (TRI) (Malaysia), Orbitel Science (U.S.), and Telegroup (Canada).

TRI Chairman Tan Sri Tajudin Ramli said that two satellites have already been launched. He said: "When everything is completely set up in early 1997, some 90 percent of the world community will be able to receive communication services through the data information transmissions."

He said this last night after launching the first code-sharing service between Malaysia Airlines (MAS) and Canadian Air for the Kuala Lumpur [KL]-Vancouver route. Datuk Abdullah Zawawi, Malaysian high commissioner to Canada, was also present at the launch. Tajudin expressed the hope that the KL-Vancouver service every Wednesday and Friday using the Boeing 747-400 aircraft will provide greater benefit to the two countries — particularly for Malaysia's tourism industry, economy, and trade — apart from enhancing greater friendly relations. He considers the flight service the start of a new era for MAS in spreading its wings to several international destinations. [passage omitted]

Government Officials Warn Local, Foreign Media

BK0611132495 Hong Kong AFP in English 1256 GMT 6 Nov 95

[FBIS Transcribed Excerpt] KUALA LUMPUR, Nov 6 (AFP) — Malaysia today issued a warning to local and foreign media after threatening to ban the Hong Kong-based news magazine Asiaweek, which, it said, had given the country a bad press.

Officials of the home affairs and information ministries said the media should not publish inaccurate and slanderous reports that could undermine the country's stability and harmony.

Deputy Home Minister Ong Ka Ting said the government was monitoring such reports and would act to ban such publications.

Asiaweek was singled out as the first possible target for saying in its October 27 issue that there was a mounting rift between Prime Minister Mahathir Mohamed and his deputy, Anwar Ibrahim, signalling a power struggle within Mahathir's political party.

The weekly had implied that Mahathir was losing his grip after the fall of two of his key allies in the divisional polls of the United Malays National Organisation (UMNO) early last month.

"The government has to be firm against any effort from within or outside which uses the print media to disseminate slanderous information and especially baseless criticisms against the country's leadership," Ong was reported by Bernama news agency as saying.

Deputy Information Minister Suleiman Mohamed said on Sunday his ministry was looking into banning Asiaweek in Malaysia, and would submit its recommendations to the Home Ministry.

"We will recommend that either the publication's circulation be reduced or that it be banned," Suleiman said, referring to the October 27 report as the third "such article" by the weekly. [passage omitted]

'Unsubstantiated Attacks' Noted

BK0711091295 Kuala Lumpur THE STAR in English 7 Nov 95

[Report by Shahanaaz Sher Habib — received via Internet]

[FBIS Transcribed Text] Kuala Lumpur — The Home Ministry is paying "very serious attention" to foreign publications which continually make unsubstantiated attacks on the country's top leadership, its Deputy Minister Ong Ka Ting said yesterday.

He said these publications had ulterior motives to split the country and instill fear to drive away foreign investors.

"Our democracy does not mean that the freedom should be abused or that it be allowed to cause chaos," he said after launching the ministy's 'C' Division Quality Day.

He said the ministry would not allow such slander of its leaders to continue. "We will not hesitate to act," he said.

Ong declined to name the publication concerned but in an apparent reference to ASIAWEEK, he said: "Why are the articles harping on the same issue?

"A professional magazine would only write the (same) analysis once, not repeatedly unless the magazine fears that people do not believe its reports.

"So it wants to strengthen this view but their intention is very obvious."

ASIAWEEK published three articles claiming there was a rift between Datuk Sri Dr Mahathir Mohamed and Datuk Sri Anwar Ibrahim — the latest in its Oct 27 issue.

Ong said Malaysia's high degree of tolerance should not be misunderstood as a weakness. He said 98 permits for newspapers, 13,000 for books, magazines and comics and 8,000 for printing licences had been issued.

"So please use them to give accurate reports," he said, adding that the nation was moving towards the information age and becoming an international media centre.

Meanwhile, DAP [Democratic Action Party] secretary-general Lim Kit Siang said to ban such publications was unwarranted and said the country's economy "must be very fragile" if it could be undermined by such reports.

He asked if Internet would be banned should the alleged reports between the two leaders appear on it.

Singapore

Joint Ventures Fund Set Up With Malaysia

BK0811053295 Singapore BUSINESS TIMES in English 8 Nov 95

[Unattributed report — received via Internet]

[FBIS Transcribed Text] A M [Malaysia] $5 million (S [Singapore] $2.7 million) fund will be set up to promote joint ventures between Singapore and Malaysian companies in third countries. Itself a joint project between the Singapore and Malaysian Governments, the fund will pay up to half the cost of feasibility studies undertaken by such ventures — subject to a cap of M$100,000 for an active search for investment opportunities and M$200,000 for specific due diligence studies.

A memorandum of understanding to set up the fund — the Malaysia-Singapore Third Country Investment Feasibility Study Fund — was signed here yesterday by Trade and Industry Minister Yeo Cheow Tong and Malaysia's Minister of International Trade and Industry, Rafidah Aziz.

Mr. Yeo said: "We already have many years of partnership experience on projects in both our countries. This is a solid foundation which positions us very well to venture together into the region and assist in our neighbours' development."

He said the fund — suggested by Deputy Prime Minister Lee Hsien Loong in January to his Malaysian counterpart Anwar Ibrahim — was a signal to the private sectors of the two countries that their governments were behind them if they joined hands to venture not just into ASEAN and Indochina but also the Indian subcontinent, China or Africa.

Ms. Rafidah said: "There is potential for joint effort among the small and medium enterprises of Singapore and Malaysia, building upon their respective experience and areas of expertise, to venture and expand abroad with viable scale of operations."

Both governments will contribute equally to the fund, which is to last two years. Mr. Yeo and Ms. Rafidah said they were prepared to extend the life of the fund if the response to it was overwhelming.

The Economic Development Board and the Malaysian Industrial Development Authority will jointly evaluate and approve applications to the fund, which will work on a reimbursement basis.

Malaysian Minister on APEC Summit Prospects

BK0811102295 Singapore THE STRAITS TIMES in English 8 Nov 95 p 21

[Report by Tan Kim Song]

[FBIS Transcribed Excerpt] Malaysian International Trade and Industry Minister Rafidah Aziz said yesterday some Asia Pacific Economic Co-operation (Apec) forum members must be "living in a world of dreams" if they thought that market liberalisation could occur "with one declaration".

Speaking to reporters in Singapore, she said that for more than seven years, under the Uruguay Round negotiations of the General Agreement on Tariffs and Trade (Gatt), the world failed to convince Japan to open its rice market.

"What makes the Apec officials feel that they can do it at their meetings?" she asked.

Datuk Sri Rafidah was responding to questions on prospects for the Apec summit meeting in Osaka on November 19.

Leaders from the 18 member-economies are to discuss how the free-trade vision they agreed on in Bogor last November can be translated into concrete policies.

However, refusal by some member-economies, including host Japan, China, South Korea and Taiwan, to open up their agricultural markets, is said to be threatening the success of the meeting.

In Bogor, the group agreed to open up their trade and investment environments at the latest by 2020. The more developed members, including Singapore, are to do so a decade earlier.

But Malaysia submitted an annex protesting against setting such a deadline, arguing that Apec agreements were non-binding.

Datuk Rafidah, who was in Singapore to sign the memorandum of understanding on the Malaysia-Singapore third country investment feasibility study fund said that had the leaders listened to the rumbling dissent at Bogor last year, they would not have been surprised by the disputes over the implementation of the free-trade vision now.

She added that Ms. Sandra Kristoff, the US ambassador designate to Apec, was only being realistic when she said last weekend that the group had a deep fracture. [passage omitted]

PRC Envoy Discloses Investment Pledges Figures

BK0811062695 Singapore BUSINESS TIMES in English 8 Nov 95

[Unattributed report — received via Internet]

[FBIS Transcribed Text] Singapore companies pledged to invest US$1.58 billion (S$2.2 billion) [Singapore dollar] in new projects in China in the first half of this year, China's ambassador to the Republic said yesterday.

The latest numbers brought Singapore's cumulative contracted investment in China to US$10.2 billion.

Of that, US$2.87 billion had been invested, Fu Xue Zhang said yesterday at the official launch of the Singapore Manufacturers Association's (SMA) China Business Club.

According to Mr Fu, in 1993 the ratio of contracted amount and actual investment was 6:1. But by the first half of this year, the ratio was 2:1, indicating that more funds had been pumped into the projects.

However, compared to the first quarter of this year, the rate of investments in the second quarter has slowed down. Deals sealed totalled US$730 million in the second quarter, down from the first quarter's US$846 million.

This is understandable as the high growth rate cannot be sustained indefinitely. In the last two and a half years alone, Singapore has committed more than four times the sum it pledged from the previous 13 years. Companies will need time to manage the initial investments before putting in more money.

Meanwhile to further help more Singapore companies, especially the small and medium-sized manufacturing firms, venture into China, the SMA has formed its first country-specific business club.

The China Business Club will be an informal grouping of members who have interest in China or have plans to venture into China.

SMA president Robert Chua said 245 members have applied to join the club.

Mr Chua also announced yesterday that SMA was considering setting up a shared office/business centre in Shanghai for its members.

"The office can be an incubator to help first-timers going into China." It would serve as a temporary office for companies at minimum start-up costs while they scouted around for opportunities.

The developer of Shanghai Pacific Plaza has offered to lease 2,000 sq ft of office space to SMA. Each company can occupy 100 sq ft, said Mr Chua.

In addition, he said SMA was currently evaluating a few industrial estates in Asia — specifically in China — which the association's proposed [Singapore] $25 million investment fund can co-invest in. Proposals for industrial estates in Shanghai, Qingdao and Johor have been received.

Mr Chua expects the fund to be established by early next year.

Cambodia

Hun Sen Supports Villagers' Newspaper Attack

BK0711072095 Phnom Penh PHNOM PENH POST in English 3-16 Nov 95 pp 1, 3

[Report by Jason Barber and Ker Munthit]

[FBIS Transcribed Text] Second Prime Minister Hun Sen said the Kandal villagers who ransacked a Phnom Penh newspaper office last week did nothing wrong, and offered them transport for future demonstrations.

"If you are short of vehicles to go to Phnom Penh, I'll help," Hun Sen told hundreds of applauding villagers in Krang Yov Commune on Oct 30.

Seven days earlier, about 150 people from Krang Yov — site of a rural development project established by Hun Sen — went to Phnom Penh and attacked the SEREIPHEAP THMEI (New Liberty News) office with poles and axes.

They smashed their way into the office, destroyed computers, tables and chairs, beat up a staff member and burnt copies of the newspaper in the street outside.

"I just would like to exercise my right...to express the opinion that Krang Yov people were not wrong in their action," Hun Sen said during his later visit to the commune.

In an hour-long speech, Hun Sen said he would do nothing to stop protests by Krang Yov people, that anyone who criticized the villagers was Khmer Rouge, and that he himself had the power to arrange a demonstration of 100,000 people in Phnom Penh.

He said he was not inciting violence, but would not stand in the way of Krang Yov people standing up for their rights.

The Hun Sen Development Center, a big irrigation and rural development project, was started at Krang Yov early this year as a personal project of Hun Sen's.

The attack on NEW LIBERTY NEWS — the second time Krang Yov people have protested against the newspaper — followed an article it published alleging poor technical standards in the building of dykes around the commune.

"Those who are opposed to Krang Yov people...are Khmer Rouge. Except the Khmer Rouge, there is no one," Hun Sen said in his speech.

"I am not encouraging the people to attack any other people, but if they go, go ahead and I won't stop them. The people of Krang Yov exercised their right, people in other places can have the same right to enjoy to complain."

He implicitly blamed the newspaper for starting "the fire" by publishing its article about Krang Yov and insulting its people.

"I have not insulted anyone, [only] helped the people. I leave it to you, I withdraw myself from this dispute."

"If you are short of vehicles to go to Phnom Penh, I'll help. If they [the newspaper] can exercise their rights, why can't Krang Yov people? Let's be clear on this equal rights."

In a reference to the newspaper's threats to sue for compensation, he said: "[If] they sue Krang Yov people for $20,000, Krang Yov people must counter sue for $1 million...netting $980,000 to further invest in the [commune's development]."

"If the court summons [anyone], all should go to fill up the courtroom because not only one but all Krang Yov people who complain."

Making it plain he opposed any attempt by the police to prosecute people for the newspaper attack, he said: "I have told a high-ranking official of the Royal government that 'You don't confront Krang Yov people'. And I clearly told him that Hun Sen sticks with Krang Yov people..."

Hun Sen disputed any suggestion he was involved with the attack on the newspaper, which occurred while he was in the United States.

But, he said, "I should add to that, if you want to go [to Phnom Penh], there are vehicles to carry you."

To loud applause, he said: "I am not able to stop you...don't walk, thirty trucks should take everyone."

"...If Krang Yov people stage a demonstration and you cry for Hun Sen to order soldiers and police to send tanks to disrupt it, no."

In apparent reference to the newspaper's call for the attackers to be arrested, he said: "When there's no trouble you curse Hun Sen. When you're in trouble, you call on Hun Sen to help."

"No, I only help the good. Not only I don't help, but I fight the bad and the Khmer Rouge."

He said the honor of Krang Yov villagers had been damaged, and they had a right to decide what to do about that.

"Don't accuse Hun Sen of incitement. Even if he does [incite], be clear, Hun Sen will not organize any demonstration without 100,000 people. Hun Sen has the ability to bring a demonstration of 100,000 people to Phnom Penh."

Elsewhere in his speech, Hun Sen referred to having discussed the matter with his son — who is attending the West Point military academy — while in the United States.

He said he had told his son: "You will continue when I am gone. Don't leave the Krang Yov people, my son."

Khmer Rouge Army Discusses Current Situation

BK0711120095 (Clandestine) Radio of the Provisional Government of National Union and National Salvation of Cambodia in Cambodian 2330 GMT 2 Nov 95

[Communique issued by the National Army of Democratic Kampuchea on 1 November; place not given]

[FBIS Translated Text] I. The 17th rainy season officially finished at the end of October 1995 while the 18th dry season starts at the beginning of November 1995.

The situation prevailing at the end of the 17th rainy season and the commencement of the 18th dry season is a continuation of the deteriorating situation under the regime of the traitors, who are the out-and-out lackeys of communist Vietnam and the alliance. Moreover, it is also a continuation of the improving state of our national resistance forces and people fighting the traitors, who are out-and-out lackeys of communist Vietnam and the alliance.

This is the reality that has been developing in all fields and sectors. In this account, we would like to show the concrete results of the situation, both general and military, in the past 17th rainy season.

The general situation of the regime of the two heads, who are the out-and-out lackeys of communist Vietnam and the alliance:

The general situation has deteriorated in all fields and sectors, to the detriment of the traitors, who are the out-and-out lackeys of communist Vietnam and the alliance. The situation, however, has continually improved for the interests of the national resistance forces and the Cambodian people fighting the traitors — out-and-out lackeys of communist Vietnam and the alliance. The general situation can be summarized according to the following five special features:

1. The first special feature is that the regime of the out-and- out lackeys of communist Vietnam and the alliance is in growing agony in all fields and sectors.

2. The second special feature is that the resistance movement conducted by our heroic Cambodian nation and people has continued to develop in all fields and sectors.

3. The third special feature is that the state of the guerrilla and people's warfare has gradually improved, expanded, deepened, and spread out countrywide, especially the guerrilla and people's warfare of the poor peasants, who have suffered considerably for 17 years, whose hands are still bare, and who have no alternative except to struggle to free themselves from the devilish grip of the nation-betraying, two-headed clique in the country and their masters.

4. The fourth special feature concerns strategic weapons and the [?crack] troops who have started to play an increasingly important role throughout the country. It is the strategic weapons — [?crack] troops, punji pits, poison-tipped stakes, poisonous stakes, and multi-pronged stakes — that are now manifesting their might and effectiveness in stabbing, hacking, surrounding, and crucifying the enemies everywhere.

5. The fifth special feature is that our troops and guerrillas have become cleaner and cleaner in terms of their view, attitude, and political, organizational, and economic stances. They have now become better off; they have rid themselves of their rotten parts; and they have rooted out all manner of pacification and intelligence agents, making the growing number of cadres and troops cleaner and more resolute, zealous,

and decisive in fighting the nation-betraying, two-headed clique — out-and-out lackeys of communist Vietnam and the alliance. They have systematically achieved victories one after the other as planned.

In sum, the situation concerning the past 17th rainy season and the 18th dry season that has just started may be considered from two viewpoints. There have been two very different developments. The difference between them has become sharper and sharper. The regime of communist Vietnam and the alliance has swollen up enormously and decayed and is presently being gnawed by worms throughout.

We would like to present the following two proofs that summarize the whole situation concerning the two heads.

1. The peasant population in general, those who have been victimized and devastated in a wholesale manner for 17 years, has developed the deepest and most acute opposition to the traitors — out-and-out lackeys of communist Vietnam and the alliance. It is the deepest and most acute opposition to the race-exterminating war, the large-scale corruption, the most fascist dictatorship, and the massive plundering of land, houses, rice fields, orchards, cattle, rivers, and forests. It is the deepest and most acute opposition to the never-ending conscription of people for K-5 hard labor and of soldiers and militia to fight and die. It is the deepest and most acute opposition to the brigand regime, the brigand country, the brigand two heads, the brigand soldiers, the brigand police, the brigand administration, the brigand National Assembly, and the brigand two-headed government, all of whom have pillaged everything and have indiscriminately and ruthlessly skinned the nation and people. They have caused a countless number of men to die and have made women lose their husbands and children and become widows. They have caused children to lose their parents and become homeless orphans by the hundreds of thousands in each province.

The situation regarding the great brigandage of the nation-betraying two heads above is condensed and summarized by women peasants in the following two most acute, profound sentences:

Many hundreds of women peasants in Kompong Cham, who have set aside their dignity, have come and struggled in front of the two-headed regime, the National Assembly, and the Royal Palace in the heart of Phnom Penh. With deafening voices, they have shouted out their class opposition and hatred, saying the people have been completely deprived of their land, including their rice fields, orchards, and plots of land for houses. The ethnic Vietnamese and the administrators in villages, communes, districts, and provinces have shackled them completely. How can I survive since I am totally deprived of my land. We have protested to the administrators in villages, communes, districts, and provinces about the soldiers, the police, and the administrators persecuting us, arresting our husbands and children, and arresting and jailing us. They have even executed some of us to destroy evidence.

When I came to Phnom Penh, the MP's and cabinet ministers asked me to return and settle the problems with the administrators in districts or provinces. They have done nothing except shun us, shirk their responsibility, and deceive the people.

How can we protest to the administrators in communes, districts, or provinces since all of them are tigers that are always waiting to devour our flesh. All of us and the entire people are only young calves that the tigers are always waiting to pounce on and devour.

The words articulated by the women are the clearest and deepest evidence of class opposition and hatred of the peasant population in general and the women in general, who set aside their dignity to voice their demand with the ultimate hope that they would be provided with some alms that would allow them to survive for a few more days or months. Yet they were given nothing; they can no longer survive.

Since the gang of traitors and their masters have continued to massacre the peasants mercilessly, how can they survive any longer? Should they bend down, allowing themselves to be oppressed, persecuted, and killed by the traitors and their masters, or should they stand up and struggle to save their own lives? This is the present situation, the turning point, and the choice.

Second evidence: The women peasants, who have no land or anything left and are starving, have abandoned their husbands and like vagrants have wandered from their home villages and brought their children to Phnom Penh. In the city they beg, they rummage through trash cans along the roadsides, and they sleep in the open fields or the people's porches, exposing themselves to the sun, the rain, and cold weather. They are kicked, beaten, chased, and insulted by the traitorous two-headed police and soldiers and the communist Vietnamese dac cong troops several times a day. With their crying, hungry children and babies, the tormented, hungry women are pursued, beaten, kicked, and sent tumbling by the traitorous two-headed police and soldiers and the communist Vietnamese dac cong troops. The women have shouted with tears: We never wanted to bring our children to Phnom Penh to lead wretched lives and to sleep on the footpaths and the people's porches under the rain and the sun and in cold weather like vagrants. In the utmost contempt, they spit on us and walk over and step on us like animals. I never wanted to bring my children to rummage through trash bins for the dirty leftovers to eat, to fill my stomach. I never wanted the police, the soldiers, or the communist Vietnamese dac cong troops to chase, beat, kick, and club me and beat my children's heads and cause them to bleed. I have had land, houses, crops, rice fields, orchards, oxen, buffaloes, pigs, chickens, and ducks since the time of my grandparents. However, my husband was forced to serve as a soldier and was killed several years ago. As for two or three of my sons and the sons of other people who were forcibly drafted to serve as soldiers or to carry out the K-5 hard labor, they were all killed; we have never heard any more of them

My land, rice fields, and orchards have been confiscated by local administrators for the ethnic Vietnamese. My house has also been seized by the communist Vietnamese puppet administrators for the ethnic Vietnamese. As for the other part of my rice fields and orchards, these they have seized and shared among the administrators or sold off to the rich. My oxen, buffaloes, pigs, chicken, and ducks have also been captured and hunted by the administrators for sale or cooking. We have protested but nothing has been done. They have only insulted us and ordered their soldiers, police, and the communist Vietnamese dac cong troops to chase us away and beat and kick us. Our protests and demands have been futile.

As we have nothing left and as our children, both big and small, and our babies are extremely hungry, we have decided to trek to Phnom Penh to pick up the leftovers from trash cans to eat so that we won't starve and die on the spot. The soldiers, the police, the communist Vietnamese dac cong troops, and scores of those having the title of samdech, have not just looked at me but have also ordered their police and soldiers as well as Vietnamese men and women to beat, bludgeon, kick, and chase me away in a manner worse than the way they treat a dog. Why are they so evil?

These few words by the aforementioned women confirm that there is an acute conflict and class anger against the two-headed regime, traitor and lackey of communist Vietnam and the alliance. There is no need to add any more comment. This is more than a conflict of peasants and poor people; it is a general, deep-rooted, and resolute conflict. This is a conflict created by the two heads, lackeys of communist Vietnam and the alliance, who are further fueling it. The peasants in general have had no way of resolving this conflict for the past 17 years. The peasants' only choice is to rise up and struggle to liberate themselves in accordance with the resolute pledge: You have killed us, our wives, and children through the war of communist Vietnam and your successive wars, killing the nation, people, and peasants. We, peasants, have to unite and rise up to fight, topple, and destroy your traitorous regime at any cost.

The question is this: What is this conflict; what is this anger? It is a class conflict and class anger, combined with the anger of the nation, race, and over 7 million people and peasants, particularly the anger of over 6 million poor peasants who have been skinned by old and new enemies. The only way open to them is to rise up and struggle to liberate their class, villages, farm land, lakes, rivers, streams, and forests. They used to earn their living through these resources. Who created this class struggle, class anger, and the anger of the race? It has not been created by peasants, particularly poor peasants. It has been created by the communist Vietnamese aggressors and race exterminators; the out-and- out lackeys of communist Vietnam with Hun Sen as the ringleader; UNTAC [UN Transitional Authority in Cambodia]; the alliance; and the two heads. These people look down on the peasant class, particularly the poor peasants, who are considered as animals and used at will. The latter have been exploited, killed, conscripted, plundered, and violated at will for the past 17 years. The peasant class, particularly the poor peasants, has for the past 17 years endured great hardship and pain. However, the more peasants put up with it the more they suffer; more of them have been killed; more land has been expropriated. Their resources have been further depleted. They have become destitute. Each family has suffered losses; some members have been killed or maimed.

Now the class conflict, class anger, and class struggle are emerging and developing everywhere. All over the country there are more than 7 million peasants, including over 6 million poor peasants. They are all over the country in the plains, forests, and hills. Peasants are everywhere. Thus, stakes, stake pits, poison-tipped stakes, poisoned stakes, and multi-pronged stakes are everywhere. There are crossbows, traps, knives, axes, and sticks everywhere. The commune and village administration of the Vietnamese enemies and their clique can be attacked everywhere. The strategic communication lines of the enemies, both big and small, on land and water have been cut. On water, the peasants have only to fell trees, kapok trees, and bamboo, and bundle them together to create obstacles, on top of multi-pronged stakes, at various places. None of the enemy dares to cross these areas.

Previously, old and new enemies, local and foreign — who used to commit aggression, oppress, and kill our nation and people — looked at peasants as though the latter were garbage and mere animals. However, as the peasants have risen up, particularly the poor peasants, they have become a mighty fighting force; nothing can stop it; not communist Vietnam, not the communist Vietnam's puppets, not UNTAC, not the alliance, and not the traitorous two heads, lackeys of Vietnam and the alliance. The traitors will certainly be decapitated. The regime, lackey of communist Vietnam, will certainly be smashed and disintegrate.

Today, the low-grade chieftain Hun Sen, Ranariddh, Chea Sim, Heng Samrin, and their clique are panicking. The Lord Buddha has said that those who have committed sins will be destroyed by their acts, the way the Buddha's enemies were sucked up by mother earth. This truth is universal and ever true — in the past, the present, and the future. History at all stages has confirmed this truth.

The conflict created by the old and new enemies through their devilish policies and strategies affects not only the lives of people, peasants, and poor peasants but the entire Cambodian nation and all strata of the Cambodian society. It affects those at the upper level living in cities inside and outside the country.

The following evidence clearly illustrates the conflict of the upper class people with the communist Vietnamese aggressors and race exterminators; Vietnam's lackeys with Hun Sen as the ringleader; and the traitorous two heads.

The first concrete evidence: These guys are dictators toward the king. They have tied the hands and legs of the king, and closed the latter's mouth. People the world over have clearly seen that the king, the monarchy, and the Constitution are just on paper; there is no power to it. All rights and power are in the hands of the Communist Party of Vietnam and the communist Vietnam's lackey regime. The one-eyed Hun Sen is the henchman of communist Vietnam; he is in complete control of the government, the communist Vietnam's puppet. He is a dictator toward the entire executive branch. He is over Ranariddh and others. Chea Sim, chairman of communist Vietnam's Cambodian People's Party, is the head of the two-headed puppet parliament. He is a fascist and a dictator toward the entire legislative branch. Sar Kheng, member of the political section of the People's Party of communist Vietnam, is in charge of police and security. He is in control of Cambodian and Vietnamese police, communmist Vietnamese sappers. He is a dictator and a fascist; he puts down everything in Phnom Penh. Yu Hokkri, a U.S. puppet, is simply Sar Kheng's puppet. Yu Hokkri's power is limited to putting on a neck tie, and behaving as a host receiving guests. As for Tie Banh — nicknamed A Anteah Banh [the one struck by lightning] — when ordered by Vietnam to recite 10 words he has been told, he can remember only two. He is called stupid and ignorant by the people. He cannot even speak Cambodian properly. Still, Tie Banh is the master of Tea Chamrat. Tea Chamrat is a U.S. servant. He used to be a thief stealing cattle and statue heads along the western border. Tie Banh, Vietnam's out-and-out lackey, is in charge of the entire army called the Khmer Royal Armed Forces [KRAF]. Ninety percent of FUNCINPEC's former officers and troops have already vanished; the remaining 10 percent have been incorporated into the KRAF. The KRAF is controlled by Vietnam's officers. Former communist Vietnamese officers are in control at the Defense Ministry, in the General Staff Office, in military regions, and in the provinces. Whenever an operation is launched, former communist Vietnamese officers are in complete control; they take the opportunity to steal and plunder. No U.S. puppets have ever been in command at these operations. Nhoek Bunchhai and Khan Savoeun used to be thieves stealing cattle and statue heads along the western border. They play the role of those transporting rice and dried food to distribute to various battlefields. There is not even enough to distribute because all the supplies are in the hands of communist Vietnam and the communist Vietnam's puppets. The same situation exists in Phnom Penh, in military regions, and on the battlefields.

In such a situation, what would be the conflict with communist Vietnam and its lackey Hun Sen of the majority of FUNCINPEC members, particularly those who are not part of the two-headed government and the two-headed parliament in cities and provinces? What would be the FUNCINPEC members' conflict with Ranariddh, who has become a lackey of Hun Sen and communist Vietnam?

The conflict is very clear. No more than 100 FUNCINPEC members have been bought by communist Vietnam and given some cosmetic positions within the two-headed government. One part of the tens of thousands of FUNCINPEC members, both military and civilian, has vanished. Another part has been ordered to act as a smokescreen clowning around like monkeys to dupe people on FUNCINPEC's presence within the two-headed government.

The following question is further asked: Are the tens of thousands of former FUNCINPEC members with Ranariddh? No, they are with FUNCINPEC's political program; they are calling for the implementation of the political pledge to the people during the 1993 elections. They oppose Ranariddh who betrayed FUNCINPEC's policy and the pledge during the 1993 elections. Therefore, Ranariddh is no longer FUNCINPEC and no longer a Cambodian; he has become a complete lackey of Hun

Sen and of the communist Vietnamese aggressors and exterminators of the Cambodian race.

The Cambodian people openly and repeatedy call Ranariddh Chey Chettha 3d [Chey Chettha 2nd was a 17th-century Cambodian king who married a Vietnamese princess]. Ranariddh, Hun Sen, communist Vietnam, and the alliance, called upon to collude with and nurture communist Vietnam, have tried to cover up the conflict within FUNCINPEC. This conflict is making its presence felt daily; it is cooperating with the nation and people, particularly with peasants, who are carrying out activities according to their ability and concrete situation to attack and smash the communist Vietnamese, the communist Vietnam's puppets, traitorous ringleader Hun Sen, and the villainous alliance, which has sold out FUNCINPEC to communist Vietnam.

The second evidence is the repression of students. The latter only asked for some minor rights to protect their interests. Hun Sen, Sar Kheng, and Chea Sim — henchmen of communist Vietnam — have repeatedly repressed the students. The latter cannot say, set up, write, or do anything. When the students demonstrated, they were beaten up and executed at will by Vietnamese sappers stationed in Phnom Penh. This is Vietnam's nature. Communist Vietnamese kill Cambodians with no qualms. The regime of communist Vietnam represented by Hun Sen organized Vietnamese forces into special troops, a special police force, and a special sapper force for attacking and killing Cambodians, any Cambodian, through their genocidal scheme.

History shows that during the French protectorate, whenever there was slight unrest in Cambodia and in Phnom Penh, French colonialists dispatched Vietnamese soldiers of French colonialism to Cambodia to put down and kill Cambodians at will. The French did not use any factions of Cambodian soldiers or forces to repress Cambodians because no matter how acute the conflict is, Cambodians will not resort to killing one another. As for Vietnamese troops and the police of French colonialism, they had no qualms in putting down, beating up, or executing Cambodians through their racial hatred.

In December 1992, Cambodian students paved Phnom Penh roads with their blood. The land in Phnom Penh was witness to the struggle by Cambodian students. The land has absorbed the Cambodian students' blood as a witness that safeguards the existence of Cambodians.

This question is further asked: Can the repression by communist Vietnam; the Hun Sen clique, communist Vietnam's lackey; and communist Vietnam's sappers, put down and extinguish the national and racial conflict? No. Look at the students' hearts and blood vessels; the national and racial conflict is there. As a former student of the Faculty of Medicine said, the blood of the nation, people, and students is flowing together as one and will struggle as one against communist Vietnam; the communist Vietnam's puppets; Hun Sen, henchman of communist Vietnam; and the fascists until the honor of the nation and people is definitively recovered.

The third evidence: In general, communist Vietnam, Hun Sen, and the traitorous two-headed government have implemented a fascist and dictatorial law against Cambodian newspapers in Phnom Penh, which have been continuously pressured and harassed. One newspaper, REAKSMEI KAMPUCHEA, is the foul mouth for Hun Sen, communist Vietnam's lackey. This newspaper is owned and controlled by Thai Bunma, called Thai Bunrong; it assists the communist Vietnam's regime and Hun Sen, out-and-out lackey of communist Vietnam. Thai Bunma, called Thai Bunrong, is one of the gangsters supporting communist Vietnam, Hun Sen, communist Vietnam's puppets, and Ranariddh. He has provided assistance in terms of newspapers and propaganda, and even millions of dollars. He is one of the links in the trafficking of opium and various drugs from Laos to foreign countries through Cambodia. Other newspapers have constantly been threatened. Dozens of newspaper correspondents, writers, and editors have been murdered by Vietnamese sappers on the orders of Hun Sen and Sar Kheng. No one is doing any investigation.

Furthermore, the two heads have implemented a fascist and dictatorial law, accusing and taking newspapers to court at will in order to bring these newspapers into submission and to end their business. Communist Vietnam, Hun Sen, Chea Sim, Sar Kheng, and Ranariddh together have worked out a fascist and dictatorial press law banning rights and freedoms. Anyone daring to go against this will be put in jail or murdered. These fascist and dictatorial acts are in violation of the current constitution of the Kingdom of Cambodia; they also violate each citizen's right of expression.

Therefore, there are no human rights, freedom, or justice whatsoever. All this is committed right under the nose of the United Nations and ambassadors from major Western powers who consider themselves champions for the defense of human rights, democracy, freedom, and so on. The fact is that these people have colluded with communist Vietnam and the dictatorial and fascist two-headed regime. They brownose communist Vietnam's regime so that the latter keeps them as dogs guarding the house to prevent anyone from touching communist Vietnam and its regime.

However, this question is asked: Can these brutal acts smash and end the conflict with the press? No. The constitution clearly stipulates that there should be freedom of expression. The UN Charter also clearly states each citizen's democratic rights and freedom of expression. International law has also clearly pronounced on each citizen's right to express his view. People in general are aware of and understand these laws.

The traitorous two heads have killed and arrested many reporters. They cannot cover up this conflict; on the contrary, this will only add and further fuel and intensify the anger of journalists and people with communist Vietnam and the traitorous two heads. This conflict and anger will not end; it is boiling among journalists, particularly among the youths who practice journalism and who are full of nationalist spirit and who love freedom, democracy, and justice.

Educated youths know friends from enemies — the communist Vietnamese aggressors and race exterminators; Hun Sen and the lackeys of the communist Vietnamese aggressors; and Ranariddh, who prostrates himself to become Hun Sen's lackey. These educated youths and persons do not accept fascist, dictatorial, and genocidal acts by these people. This is the strong point of the students and educated youths. And this is the weakest point of communist Vietnam's regime, Hun Sen and Ranariddh, traitors and lackeys of communist Vietnam.

Talking about newspapers, there was a ridiculous incident when Hun Sen and Sar Kheng, on communist Vietnam's orders, took Vietnamese sappers, disguised as Cambodians, to smash the office, staff, and equipment of the SEREIPHEAP THMEI newspaper in Phnom Penh. The truth is as follows.

Hun Sen has stolen millions from the nation to build sloppy waterworks in the Krang Yov area of Kandal Province. The aim is to have Hun Sen's face and statue exposed there for election campaign purposes. The millions stolen from the nation for these works were given to Hun Sen's henchmen in the area to cheat people in the election campaign. This stolen money was given to local henchmen to do things Hun Sen's way. The henchmen's leaders divided up the money among themselves and built waterworks in reverse, meaning that waterworks were built where there is not a drop of water. And when the occasional heavy rains come, the entire Krang Yov area is flooded. The people in Krang Yov and adjoining areas just shook their heads and insulted the one-eyed Hun Sen and his henchmen. They said these wretched traitors do not know about the land, rice fields, and water. They only steal money from the nation to build waterworks to cheat villagers. These are thieves from the market; they do not know about rice fields and never engage in farming. This is why they put up structures where water should be drained and drained the water away where water should be kept. They concentrated their efforts on building a statue of Hun Sen, with ribs showing and with only one eye looking to the south and with hands praying to the late Ho Chi Minh in Vietnam.

The people said that the title of samdech has even been given to Hun Sen. Only communist Vietnam uses such a stupid person as a lackey to repress the people. Why should he be given the title of samdech? With such a title it is even easier for him to sell out the nation, and kill the nation and people. [Chea] Sim and Heng [Samrin] are samdechs. Other traitorous leaders have all become samdechs.

The people further say that now there are samdechs all over the country, and all of them are bandits selling and stealing from the nation and committing genocide; this is unprecedented. These phony samdechs have killed and plundered the nation and people, and served as Vietnam's lackeys with no qualms. People have said this so often that journalists went to see the structures of the one-eyed Hun Sen in Krang Yov. Journalists also wrote about this to make Hun Sen realize it and change. But on the contrary, the one-eyed Hun Sen paid communist Vietnam's sappers who disguised themselves as Cambodians, and used police vehicles to drunkenly travel from Krang Yov, throw grenades, and attack the office of the SEREIPHEAP THMEI newspaper. For hours during this attack, no police or troops of the two heads came; no one came when these guys returned in their vehicles. The henchmen of Hun Sen were left lobbing grenades and destroying at will the office of the SEREIPHEAP THMEI newspaper. This is a fascist, dictatorial, cruel, and most savage act, right in the center of Phnom Penh and inside the two-headed regime. No one among the judiciary, assembly, government, police, army, the United Nations, and the multitude of human rights organizations and nongovernmental organizations dares to say a word about this.

Who ordered this act? It is evident; it is even clearer than the noon daylight. It was the one-eyed Hun Sen, communist Vietnam's out-and-out lackey, who decided and ordered this himself. Will these people — the dozens and hundreds of journalists who have been victims and hundreds more who are being threatened, along with tens of thousands of newspaper readers from all walks of life — allow such brutal and savage acts to be carried out at will by the communist Vietnamese? Will they be intimidated by these fascist acts? No; they are very frustrated; their anger is beginning to explode, and will continue to do so. It is not that the fascist and dictatorial regime of communist Vietnam's puppets and the one-eyed Hun Sen is strong. The barbarous and savage acts by communist Vietnam's puppet regime and by one-eyed Hun Sen, communist Vietnam's lackey, reflect the regime's weakest point as far as the force of the masses and the entire Cambodian people are concerned.

The fourth evidence: The murder of Meas Chanleap, assembly member of His Excellency [H.E.] Son Sann's party, right inside the two-headed National Assembly. Communist Vietnam and its lackeys have a strategic plan to organize elections in 1998 in accordance with a clear direction. They are isolated from the nation and the people and the world. They have been strongly opposed by the masses and the people. A large number of foreigners also opposed them.

It is in such a difficult situation that communist Vietnam and its puppets and lackeys are making plans and preparations to organize elections in 1998. First, they have bought Ieng Muli and Sieng Lapresse by giving them some power in the Information Ministry. Ieng Muli and his clique were allowed to organize the congress of the Buddhist Liberal Democratic Party [BLDP] of H.E. Son Sann when the latter was under medical treatment. Preparations for Ieng Muli's congress were orchestrated by communist Vietnam, Hun Sen, Sar Kheng, Chea Sim, and Vietnamese sappers. Those attending the congress were all men of Hun Sen and Sar Kheng. They were policemen and communist Vietnam's sappers. Those accompanying Ieng Muli and Sieng Lapresse, to serve as a smokescreen, numbered no more than 20.

After a noisy opening of the congress, a new BLDP executive committee of Ieng Muli and Sieng Lapresse was set up with Ieng Muli as chairman. Who orchestrated this? Who were the voters? It was the men of communist Vietnam, of Hun Sen, and of Sar Kheng. They were policemen and communist Vietnam's sappers. This is a crude and shameless robbery of H.E. Son Sann's BLDP. This was the first act.

The second act: Aware of this, H.E. Son Sann asked that the staged congress of Ieng Muli, orchestrated by Hun Sen, be considered null and void, and that a new BLDP congress be convened with the attendance of all former members in accordance with party regulations. In such a situation, having sensed the danger after H.E. Son Sann's demand, communist Vietnam and Hun Sen handed over the task of threatening Meas Chanleap to Sar Kheng .

Where could this threat be carried out? If this was done at home, Meas Chanleap's wife, family, and relatives would know the whole story. Therefore, Meas Chanleap was threatened inside his office in the National Assembly. Only Meas Chanleap was in the room. Sar Kheng and the Vietanmese sappers told Meas Chanleap to issue a strong statement against H.E. Son Sann, and to say that the BLDP congress was already convened and an executive committee elected with Ieng Muli as chairman; there is no need for H.E. Son Sann to revise all this. Doing so would be violating the right of the BLDP congress to make decisions. Meas Chanleap was shocked and refused to be intimidated by Sar Kheng and the communist Vietnam's sappers in his room. He said: I am not involved in this. H.E. Son Sann has the right to do what he wants; he has the right to convene a party congress in full compliance with BLDP's regulations. If you are forcing me to act this way, I cannot do it against my conscience as a Cambodian, a people's representative, and a BLDP assembly member. I have always respected and loved H.E. Son Sann as an elder, like my parents. I cannot do this.

Under these circumstances, Sar Kheng and the Vietnamese sappers put a spy pistol with a silencer to Meas Chanleap's head and shot him. Afterward, it was announced that Meas Chanleap committed suicide and that he also wrote to H.E. Son Sann and Ieng Muli to be reconciled; that Meas Chanleap committed suicide because he had lost hope due to the split in the BLDP; that his suicide should move H.E. Son Sann and Ieng Muli toward reconciliation; and so on.

However, no one knew about or saw these documents. The documents' existence was only known through some newspapers who quoted some police statements. Even Meas Chanleap's wife, family, and relatives, who requested to see the body and the documents, were not allowed to do so.

Communist Vietnam, and the puppets Hun Sen and Sar Kheng thought that Meas Chanleap's murder was a police matter and a mysterious spy affair, like in a movie. However, everyone now knows that this was a police matter and an open spy affair. Open in the sense that communist Vietnam, Hun Sen, Sar Kheng, and Vietnamese sappers, who murdered Cambodians with no qualms, were the ones who killed Meas Chanleap. Why? To prevent another new congress by H.E. Son Sann, and to keep H.E. Son Sann and BLDP members from convening their real congress.

For what other reason was the murder carried out? So that communist Vietnam and Hun Sen could order Ieng Muli and Sieng Lapresse to act as leaders of BLDP — positions that were robbed from H.E. Son Sann — and use these guys as tools and out-and-out lackeys of the People's Party of communist Vietnam, of Hun Sen, and of Chea Sim to garner votes to serve communist Vietnam in the 1998 elections.

It has also been asked: Has this trick of spying, murder, and crime been played out only once or twice? The masses promptly shouted that such a crime has always been staged, even before Vietnam's aggression against Democratic Kampuchea. It continues during Vietnam's invasion of Democratic Kampuchea, during implementation of the Paris agreement of UNTAC [UN Transitional Authority in Cambodia] when the Western alliance came to collude with communist Vietnam in Cambodia, and when the two-headed government was born in 1993. Such crimes were innumerable both in rural areas and in the cities. There is nothing mysterious about it in the masses' opinion. Even thumb-sucking kids have witnessed such a farce many times.

A further question arises: Were Meas Chanleap's murder and the deceitful congress to get Ieng Muli elected as chairman through the barrel of Vietnam's gun, the strong points of communist Vietnam, traitor Hun Sen, Chea Sim, and Sar Kheng? Absolutely not. On the contrary, this reflects the impasse and weakness of communist Vietnam, Hun Sen, Chea Sim, and Sar Kheng in the face of the law, the Cambodian nation, masses and people, and also the international community.

It is further asked: How much longer can these guys protect their regime and their heads?

The third act: H.E. Son Sann and tens of thousands of his BLDP members in Phnom Penh and the provinces, organized a legitimate congress in accordance with genuine regulations. It was also in conformity with the Constitution. There were various people attending the congress: H.E. Son Sann, already aged 84-85; elders, nuns, monks, male and female elderly people, young people, people living in Phnom Penh, civil servants, reporters, and people coming from the provinces, peasants, and from all walks of life.

However, communist Vietnam and Hun Sen decided to smash and prevent this congress from being held. They therefore ordered Vietnamese sappers, who are the Cambodians' arch enemies, to open fire and to lob grenades near the office of H.E. Son Sann's party and at a nearby monastery where BLDP representatives had gethered before the party congress.

The firing and lobbing of grenades killed or wounded over 30 persons, according to statements by Sar Kheng and the two-headed government. However, the masses at the scene said that over 200 were killed or wounded, including some nuns, elders, and monks. Who committed this and for what reason?

There is no need to elaborate. The purpose was to destroy the BLDP of H.E. Son Sann who adheres to a national policy, which is a correct one. We would just add: the one-eyed [Hun Sen], Chea Sim, Sar Kheng, Tie Banh, and the communist Vietnam's People Party are very isolated. They have been opposed by the nation and people in and outside the country; a high degree of struggle has already been waged against them. These guys are looking for ways to resolve this situation, and to get out of this by the 1998 elections.

This is why recently Hun Sen himself said that the two heads had performed well; in the 1998 elections the two heads need to be maintained. In addition, he quietly intimidated Ranariddh into shouting that the two heads are like the blind and the crippled [reference to a popular Cambodian story] who have journeyed together. Therefore, the two must continue this journey to the 1998 elections.

Furthermore, communist Vietnam and Hun Sen told Ranariddh to propose that the king accept the role of commander in chief of the Khmer Royal Armed Forces and that of highest commander of the national police so that the army and the police would ensure neutrality during the 1998 elections. Ranariddh put the proposal forward to the king by order of Hun Sen and communist Vietnam suggesting that the king chair the committee overseeing and judging the results of the 1998 elections. This would ensure the king's neutrality; whatever decision or judgment was made by the king, would have influence in and outside the country. In this way the first puppet and the second puppet of communist Vietnam wants to use the king's name as a cover to legitimize themselves in the 1998 elections. This is a trick of the cornered Alev [reference to the main character in a popular Cambodian story].

However, like the entire nation and people, the king saw through the dark scheme of communist Vietnam and the nation's enemies. The question: Will those with such a dark scheme stop at this? They will not. Because the basic strategy of communist Vietnam and its puppets and lackeys is to annex Cambodian territory and make it into a second Kampuchea Kraom [former Cambodian territory now part of southern Vietnam].

Whether it is open, secret, sweet, or bitter, now or in the future, everything is done to serve the strategic goal of annexing Cambodian territory.

This evidence confirms the conflict and acute anger of the upper level of society and the nation against the communist Vietnamese enemies and aggressors and against communist Vietnam's regime with Hun Sen as the ringleader.

Faced with such a deteriorating and rotten national situation, we should listen to the voice of an elder, H.E. Chulong [army chief under Sihanouk rule], who summed it up in only a few words: the two- headed government and the two-headed assembly are illegal. H.E. Chulong's statement shows that Hun Sen and Ranariddh have not implemented the nation's Constitution; they are doing whatever they please. Hun Sen and Ranariddh are dictators and monopolize everything as co-leaders of the two-headed government. Chea Sim does whatever he pleases as chairman of the two-headed assembly. H.E. Chulong stressed that, in practice, the interpretation of the Constitution is up to Hun Sen and Ranariddh. No supreme state organ has been set up with the right and competence to provide official interpretation and judgment. Chea Sim decides everything as assembly chairman.

Thus, the so-called Kingdom of Cambodia, the Kingdom of Cambodia's Constitution, the king's reign, and the government's work are concentrated in the hands of only three persons: Hun Sen, Chea Sim, and Ranariddh. Above these three is the Communist Party of Vietnam [CPV], stationed in Phnom Penh and in Cambodia, with the CPV political bureau giving orders from Hanoi with Le Duc Anh himself as the one in charge.

People ask: What kind of conflict exists between the upper level of our nation and communist Vietnam and the two-headed government? Is it an ordinary conflict? An occasional conflict? A conflict of economic interest? Or a conflict of positions and roles?

The truth of the conflict is that it is a mixture of national conflict, social conflict, as well as racial conflict. The profound, acute, lasting, and common conflict among the entire nation and people is the conflict concerning the loss of the race, which is being annexed by communist Vietnam. The national, social, and particularly racial conflict, of the nation and all strata of people is a mighty and powerful force. The force of the nation and of the people is embroiled in conflict, fury, and a persistent struggle. The enemies, in the form of communist Vietnam, communist Vietnam's puppets, and the recently set up two-headed government, certainly cannot oppose this force of the nation and all strata of people.

The comparison of forces is clear cut. The future of the struggle to defend the Cambodian nation and race rests on this comparison of forces.

The situation on the battlefield during the 17th rainy season and the launching of the 18 10-day plans during the new 18th dry season, which will be four times more vigorous:

The situation during the past 17th rainy season was the continuation of developments from the 17th dry season, the 16th rainy season, and the 16th dry season. This means that the situation in the 17th rainy season in 1995 was the continuation of developments since the UNTAC elections to coalesce the two heads in 1993; that is, since the 15th rainy season in 1993. In terms of seasons, five seasons have gone by since then. If we look at the situation during these five seasons, what do we see? With all the support they have received from communist Vietnam and the alliance — who have done all they can to push and pull them along — have the two heads made any progress? Have they merely marked time? Have they regressed?

Looking at the overall situation during these five seasons, people at home and abroad can clearly see that the two heads have plunged headlong and are tumbling deeper and deeper into ever greater crises in all fields and sectors. They have sunk so deep that they can never escape the abyss. According to the assessment of some economic firms, the company of the two heads is facing bankruptcy; that is, it is failing completely.

So merely by looking at the overall situation, we can see that the two heads are disintegrating, decaying, and writhing in their death throes.

Now let us examine the concrete situation between ourselves and the old and new enemies during the 17th rainy season. What distinctions marked this situation?

Distinction 1: During the 17th rainy season in 1995, the traitorous two heads and their masters completely lost their control and initiative. They found themselves in an utterly defensive position from the beginning to the end of the season.

Distinction 2: The stinking, putrid flesh that communist Vietnam, the alliance, and the two heads attempted to introduce among us in a bid to contaminate our healthy flesh was flushed out, marked up, shorn off, neutralized, and thrown away to permit our flesh to become more sound in terms of ideology, views, stance, political line, organizational setup, lifestyle, formation, and activities against the enemy.

Distinction 3, which plays a fundamentally important role along with distinction 2: The common peasants who have an acute conflict with the traitorous two heads and their communist Vietnamese masters, especially the poor peasants who have suffered the most, have rallied to join Democratic Kampuchea [DK] and the National Army of Democratic Kampuchea [NADK] in conducting activities against the Vietnamese enemy and waging a struggle against the traitorous two- headed lackeys of communist Vietnam and the alliance through a people's and guerrilla war. In particular, they have joined hands actively in attacking the traitorous two heads with strategic weapons, through the extra sharp crack army, in the form of punji pits, poison-tipped stakes, poisonous stakes, and multi-pronged stakes.

The poor peasants — who have always been antagonistic toward the enemy — have joined the DK and NADK in gradually attacking the traitors and their masters. At present, however, the traitors and their masters have completely skinned these poor peasants. There is only one path for them to choose — the path of survival, the path of the struggle, the path of joining the DK and NADK in fighting to defend their lives and the lives of their loved ones. The forces of these poor, lower, and middle class peasants number more than 6 million out of the more than 7 million peasants in the country. In each village there are at least 40-50 families of poor peasants. In each commune there are at least 200-300 families of poor peasants. In each district there are at least 500-1,000 families of poor peasants. This constitutes a crack army that produces strategic weapons with its own hands, uses strategic weapons with its own hands, and attacks the traitorous two heads and their communist Vietnamese masters with strategic weapons that they have made themselves.

All these things can be found locally. Bamboo, wood, poisonous resin, poison, knives, axes, and strips of rattan can be found locally. In other words, factories that produce strategic weapons for use against the enemy can be found locally and in abundance everywhere. They can be found in regions with lakes, ponds, streams, brooks, and rivers; in the plains; in the forests; and in mountainous areas — in other words, everywhere.

The forces of the peasants, especially the poor peasants, are being skinned alive by the enemy, which is pushing them into the waiting arms of the resistance forces. We have grasped this opportunity. We have welcomed these forces and have worked hard to organize them. We are working to improve these forces and expand them so that each front commands hundreds and thousands of poor, lower, and middle class peasants. We are arranging for each of them to produce strategic weapons by the thousands every day, thereby allowing each front to produce tens of thousands of these weapons for use as strategic weapons to surround all enemy positions and tightly seal them off, enabling us to launch a final assault on the enemy. They will be turned into strategic weapons to surround the enemy administration in villages and communes and tightly seal them off, enabling us to smash the enemy administration on the spot. They will be turned into tens of thousands, hundreds of thousands, and even millions of strategic weapons planted along streams, brooks, rivers, large and small passes, trails, and strategic roads to crush the enemy infantry troops and frighten them from taking even one step forward.

War strategists have always stressed that a military war comprises the infantry, navy, and air force. The infantry part of the war is of determining importance. On the ground, artillery and tanks are not the determining factors; the infantry is. The infantry of the traitorous two-headed lackeys of communist Vietnam and the alliance is very weak. Less than 10 percent of their regular forces are left. Consequently, they have implemented a fascist law to force people to become militiamen and to be armed to fight right on the battlefield. These are not professional soldiers. They are conscripts that have been press- ganged in a most fascist manner. These conscripts are hungry most of the time. They do not have mats, hammocks, mosquito nets, blankets, boots, or anything else. A burst of gunfire would drive them to run away like a panicky herd.

Are these infantrymen that have been pressed into fighting by the traitorous two-headed lackeys of communist Vietnam and the alliance unafraid of punji pits? Are they unafraid of poisonous stakes? Are they unafraid of poison-tipped stakes? Are they unafraid of multi-pronged stakes? No, they are not. The 17th rainy season clearly showed that even the most seasoned commanders of communist Vietnam — be it Prum Samen, Srei Doek, Nuon Mok, Keo Phit, white-eared Kham Savoeun, or Nhoek Bunchhai — are not immune from this fear. Each time they saw their men pierced by stakes, a shiver ran up their backs and they immediately took flight to Siem Reap or Phnom Penh.

So the infantry force — the determining factor of the army — was defeated by the strategic weapons or extra sharp crack army of the resistance.

Distinction 4: Our national resistance forces took the initiative in launching assaults on the enemy from one point to another, using every means — military, political, espionage, pacification, communications, and economic.

Distinction 5: The traitorous two-headed lackeys of communist Vietnam and the alliance lost almost all their fighting forces during this 17th rainy season. They did not even have the forces to withstand our attacks on smaller battlefields.

Distinction 6: In general, the peasants in the countryside who have been robbed of everything by the two-headed traitors, the millions of ethnic Vietnamese, and the dishonest foreign merchants that have been grabbing hundreds of thousands of hectares of land and thus badly affecting the economic livelihood of the people, and in particular the poor peasants who have suffered the most, have been forced to flee from their native villages and scavenge for scraps in order to survive in urban areas. A significant number of them have rallied to the DK and joined it in the struggle for survival so they would not be killed uselessly by the traitors.

Distinction 7: The strategic weapon that we call the extra sharp crack army, using punji pits, poison-tipped stakes, poisonous stakes, and multi-pronged stakes, has become more and more vital with each passing month and has become the object of a generalized production campaign conducted by the regular army, guerrilla units, and the people as a whole. These strategic weapons — tested during the 17th rainy season — have proved to be increasingly effective.

If one asks whether we have any proof of the above distinctive features of the military situation, we would cite some important proof to justify these distinctions of the military situation during the 17th rainy season:

1. The strategic communications lines — the vital lifelines of the traitorous two heads and their masters — were cut and rendered useless during the 17th rainy season. Among these, Route 12 from Sala Vichey to Svay Pat-O Ta Laok was completely cut, making it impossible to send goods from Phnom Penh or Kompong Thom to Preah Vhiear and Choam Khsan since May 1995. This forced Preah Vihear to writhe in agony during the 17th rainy season because very few goods managed to trickle into the province. Those that did were only brought in by fatigued helicopters making two trips every 10 days.

2. The An Seh Pass, which has always provided vital access for the two-headed traitors in Preah Vihear, Stung Treng, Ratanakiri, Kratie, Oddar Meanchey, and Siem Reap, has been completely cut since early July 1995. With the An Seh lifeline of the two heads severed, the two-headed administration and two-headed army in northern Cambodia were seriously affected. This is the reason that the traitorous two heads completely lost their control and initiative and were forced into a defensive position, waiting to fend off the blows of the national resistance forces and people.

3. The portion of National Route 6 from Kompong Kdei to Pralay and Stoung was completely cut during the 16th rainy season, the 17th dry season, and throughout the 17th rainy season. Transportation from Kompong Thom to Siem Reap via Route 6 has been completely blocked for three seasons. The enemy has only been able to transport goods by plane and ship.

4. During this 17th rainy season, Route 68 from Kralanh to O Smach was cut 100 percent at times and 80 percent at times, causing the transportation of the traitorous two heads to be stalled to the maximum. Previously, during one 24-hour day they could bring in 100 metric tons of goods. Now, sometimes they cannot transport anything at all while at other times they manage to bring in just 4 or 5 metric tons of goods. Consequently, the supplies of the two-headed administration and two-headed soldiers and police in Oddar Meanchey and Siem Reap have experienced serious difficulties in all fields and sectors. They are short of rice and fish and are fundamentally deprived of all kinds of strategic materiel to support the war.

5. The Sisophon-Poipet portion of National Route 5 has been completely severed since 14 June 1995. The enemy has not been able to reopen it or to transport anything along it. This very important strategic road, the enemy's most vital lifeline in north Cambodia, has been cut for the past four and a half months. On average, the traitorous two heads used the Sisophon-Poipet Route 5 to transport 400 metric tons of goods worth $14 million every 24-hour day. This means that since 14 June 1995, 52,000 metric tons of goods worth $2 billion have been stalled. This shows the magnitude of the agony in which the traitorous two- headed lackeys of communist Vietnam and the alliance are suffering as a result of the severance of the Sisophon-Poipet portion of Route 5.

6. The Battambang-Phnom Penh railroad has been completely cut since 14 June 1995, the same day as the Sisophon-Poipet portion of National Route 5. This railroad is completely cut as of today. The track, the bridges, and the culverts have either been cratered or dug up. This railroad is cut in Kompong Chhnang, Pursat, and Battambang. The traitorous two-headed lackeys of communist Vietnam and the alliance used to transport at least 20 cars of goods per day on this railroad, with each car transporting at least 30 metric tons of goods. Therefore, during the 130 days that this railroad has been cut, goods that would have weighed some 80,000 metric tons have been blocked, especially strategic and military goods.

The Phnom Penh-Battambang railroad is a vital lifeline for the traitorous two heads. This railroad has been cut for the past 130 days. This has rendered indescribable the despair and agony of the traitorous two heads; communist Vietnam, their first masters; and the alliance, their second masters. They have vomited blood as a result.

In addition to the traitorous two heads who are the lowliest, basest lackeys, their communist Vietnamese masters are also incapable of doing anything. They have their Communist Party of Vietnam to lead the two heads secretly, their secret soldiers and police to lead the two heads, and their communist Vietnamese dac cong [sappers] to suppress the people in Phnom Penh, but they do not have a penny to help these two heads. What they have been doing is nothing but looting, skinning, and bleeding our nation and people white. As for the new masters of the two heads, they have money and material to help them repair bridges, roads, and railroads. Yet not only have they failed to help repair the roads, they have fled in panic from National Route 4 and the railroads. Why? Because the roads keep getting cut. When they finish repairing one point, other points are cut. They have to run back and forth trying to fill up craters on these roads. Finally, they become exhausted and fed up and drop their backsides to the ground in disgust. Unfortunately, they drop them right on top of sharp punjis, which sends them screaming and running back to Phnom Penh.

7. National Route 4 is the most important strategic lifeline in western Cambodia, linking Phnom Penh and Kompong Som. National Route 4 is second in importance only to the Battambang-Phnom Penh railroad. Since they lost the Battambang-Phnom Penh railroad, however, the traitorous two heads and Americans have tried their best to repair National Route 4 in order to transport goods, especially materiel, to continue the war of aggression of communist Vietnam. They thought that National Route 4 was far out of the reach of the national resistance forces, and they would thus have some security to repair, rest, and transport goods at the same time as if they were merely trying to develop tourism without any hindrance. They underestimated the people. They thought that the resistance forces were army units or groups attached to this or that locality. That was their view.

In reality, our Cambodian national resistance forces are fighting everywhere. They fight in the countryside, in urban areas, and overseas. The army is fighting; the guerrilla units are fighting; and so are the people, elders, children, men, and women. They fight using modern guns, muskets, axes, sticks, or punjis as well as the tactics of cutting roads, blowing up bridges, and destroying culverts.

If one asks if there are people, rocks, soil, water, bridges, culverts, bamboo, and wood along Route 4, the answer is yes. As for the Americans and the two heads organized into so-called engineering groups and teams to repair Route 4, they can be seen as a tiny drop of water while the people are a mass of water in the rivers, streams, and brooks all along National Route 4 from Phnom Penh to Kompong Som. So there were resistance forces everywhere to attack the traitorous two heads and their masters and to cut Route 4, bridges, and culverts again and again during this 17th rainy season until the two heads could not use Route 4 and the Americans and their sites were forced to run for their lives back to Phnom Penh.

8. The Battambang-Phnom Penh National Route 5 has not escaped the hands of the resistance forces of our nation and people. Although this route has not yet been completely cut, it is gradually becoming so. The road surface has been dug up; the culverts destroyed; and 20, 30, and 50 meter bridges blown up. This route continues to be cut and will be permanently cut. Why? Because the Battambang-Phnom Penh National Route 5 is one of the targets in the plan by the resistance forces to cut all the enemy's lifelines. This is a clear advance warning that the national resistance forces are giving the two heads and their masters. Let them round up their forces and use them to protect this highway. No matter how hard you try, you will not be able to defend it because National Route 5 between Battambang and Phnom Penh is more than 300 km long. Your men are worn out; exhausted. You do not have enough forces to defend National Route 5. The resistance forces and the people can hit National Route 5 at any point and at any time they want. We will cut off this last lifeline so that the two-headed administration, two-headed army and police, and entire two-headed regime will writhe in their death throes because of the blockade of all these strategic roads and the cutting of all these strategic lifelines of the two heads.

Experienced war strategists of all historical eras always regard strategic transportation lines as primary blood vessels. For this reason, during World War II in Asia Japan made it a priority to attack open sea lanes, and to defend and use them to transport and supply strategic raw materials to serve its war machines. However, when the allies recaptured these strategic sea lanes, Japan which became drained of strategic raw materials, particularly fuel oil, began to taste strategic defeat.

During World War II, Japan was defeated not because of America's nuclear bombs, but because its strategic transportation lines had been cut off. The bombing of Hiroshima and Nagasaki was merely a test in the massacre of Japanese civilians made by the so-called champion of democracy. It was the slaughter of mankind, nothing but an act of genocide.

In Europe, Germany attacked to gain control of Dunkerque and the Channel to prevent England from coming to the rescue of Western Europe. Moreover, to isolate and invade England, Germany made great efforts to attack the strategic Atlantic transportation lanes from the United States to England. However, when the United States succeeded in controlling the Atlantic sea lanes the United States could supply England with virtually everything from food to armaments to naval, ground, and air forces. It was then that the Western Alliance launched the second front against Germany from the west, on the French beach of Normandy.

This brief historic example clearly shows that strategic transportation lines play the role of vital blood vessels for warring parties.

As for the war in our country from 1970 to 1975 the strategic transportation roads also constituted the lifelines of the warring parties like in the rest of the world. From 1970 to 1974 National Routes 1, 2, 3, 4, 5, 6, and 7 were gradually and completely cut. Communications between the provinces and Phnom Penh and supplies of rice, foodstuffs, and materials from the countryside to Phnom Penh were completely severed. Phnom Penh was supplied only from abroad and only via the Mekong River. Each month from 40,000 to 80,000 metric tons of goods for both civilian and military consumption managed to come through. Little was brought in by planes which were mostly used for passengers on diplomatic trips and some journalists. In mid-1974 all national routes were cut. Only a portion of National Route 4 from Kompong Speu to Phnom Penh was still open. However, we knew that Kompong Speu could supply Phnom Penh with nothing because there were only palm trees there. The sole remaining strategic line was the river road on the Mekong River. Based on the situation at the time, our high command unanimously decided in July 1974 to launch a final attack on Phnom Penh. In order to attack Phnom Penh, the strategic Mekong River line had to be cut. At 0000 in December 1974 we fired the first shot of the general offensive. In February 1975 we totally captured Kaoh Ta Chou above Neak Luong, and we also captured Kaoh Peam Reang below Neak Luong. The Mekong River transportation line began to choke off as of February 1975. On 1 April 1975 we attacked, and got complete control of Neak Luong. Also on 1 April 1975 Lon Nol and his associates fled from Phnom Penh to Hawai via Bali. On 12 April 1975 the U.S. ambassador at the head of his embassy staff took down the U.S. flag, folded it under his arm, and rushed off by helicopter from Phnom Penh. On 17 April 1975 the resistance forces completely liberated Phnom Penh. It was the greatest, unprecedented event since World War II. Our nation and people liberated Phnom Penh 13 days ahead of the Hanoi communist Vietnamese who launched over 1 million troops from the north to liberate Saigon after all U.S. troops had pulled out, and after the Saigon troops — then abandoned by the Americans — had laid down their arms in surrender to the North Vietnamese Army.

We would like to stress that it was the North Vietnamese Army and not the Viet Cong and South Vietnamese resistance forces who attacked and liberated Saigon. The Viet Cong and South Vietnamese resistance forces were completely eradicated in the ubiquitous networks of strategic hamlets set up by the United States and Robert Thompson.

We have no need to recall this old history, but we must take this opportunity to make it clear in response to certain villainous international journalists and certain villainous self-proclaimed international historians who gave themselves up to the Vietnamese, who capitulated before the Vietnamese, who brownnosed the Vietnamese, and who sold their intellectuals' brains for money and agreed to serve some villainous international information moguls. With the brains that they had already sold, they wrote vicious, false, obnoxiously deceptive articles that ran counter to historical truth. History is a collection of events taking place every day, every month, and every year in succession. The events that took place one after another, day by day, in April 1975 were clearly recorded.

The Cambodian nation and people without any doubt have every reason to be proud of their feats which they have inscribed in golden letters in their history books for future generations. You need not rewrite our history and distort it as ignominiously as dictated by the brains that you have already sold to other people. You villains are not worth being called intellectuals at all, for you possess not the slightest ethics of true intellectuals.

This brief historical reminder is being made merely to emphasize that strategic transportation lines are vital to winning or losing a war. The strategic transportation lines are the blood vessels, the vital lifelines in a war. Experiences in the world have vindicated that truth and so have experiences in Cambodia. Experiences during the 17th rainy season have again vindicated that truth. It is for this reason that children in our liberated zones and in various rural areas sing the following song: Choke the enemies' throats! Choke the enemies' throats! Cut off their blood vessels and let them — both the local and foreign enemies — die in pain.

So too, the major strategic lines which constitute the blood vessels of the traitorous two heads have been cut in such a manner. This has produced the worst impact on them.

Impact No. one: The two heads cannot move from place to place. This gives the resistance forces and people an opportunity to flush out and do away with most of the spies, the rotten flesh, the pacification agents, and the cruel administrators of the enemy in the villages and communes during the past 17th rainy season.

Impact No. two: The two heads failed to conscript soldiers and militiamen. According to their plans, they must conscript 30 soldiers and militiamen from each village, and 100 from each commune. They have failed to do that in most villages and communes in western Cambodia where the regular soldiers either died, have been wounded, crippled, or stricken by malaria, or have deserted in droves. They have failed to fill the gaps with new conscripts. For this reason, the two heads and their masters have been unsuccessful in defending any strategic roads and passes, and in protecting any village and commune administration that is remote from the district and provincial seats. The common people can see without being told that during this 17th rainy season the soldiers of the traitorous two heads and their masters could be compared to a static, decaying stump. They did not move as in past seasons. The people further added that since the snake got its back broken, we should jointly put an end to its life to prevent it from biting others.

Impact No. three to be noted at this point is that the traitorous two-headed lackeys of communist Vietnam and the alliance have failed to impress new soldiers in the following provinces:

1) Preah Vihear; 2) Oddar Meanchey; 3) Siem Reap; 4) Kompong Thom; 5) Stung Treng; 6) Ratanakiri; 7) Mondolkiri; 8) Battambang; 9) Pursat; 10) Koh Kong; 11) Kampot; 12) Kompong Speu; 13) Kompong Chhnang.

In these 13 provinces the two heads have been unable to conscript even a single soldier to be sent to western Cambodia. Why? Because in these 13 provinces the national resistance forces are engaged in constant guerrilla attacks. Moreover, the forces of the people, espcially the poor people, have been organized well, consistently, and constantly. So, not only have the two heads failed to conscript soldiers and militiamen for use in western Cambodia, but they have been constantly attacked and regularly pinned down by the local resistance forces and people using guerrilla and people's war tactics.

The provinces where they have managed to conscript a few soldiers are Kompong Cham, Kratie, Kandal, and Takeo. In these four provinces there have also been activities by the national resistance forces and people who constantly attack the enemy, denying him any respite and perpetually keeping him busy. These four provinces are also following the example of other provinces by refusing to allow the enemy to conscript even the smallest number of soldiers and militiamen to be used in western Cambodia, and by intensifying the guerrilla and people's war activities through the use of strategic weapons or the extra sharp crack army and through attacks launched against the enemy in various locally available forms. In these four provinces they have many possibilities of stepping up activities during the 18th dry season.

Svay Rieng and Prey Veng are two provinces full of ethnic Vietnamese, CPV, and Vietnamese Communist Youth League. The ethnic Vietnamese are everywhere, and they are in complete control of the People's Party of communist Vietnam and of the communist Vietnamese puppet administration in all fields and sectors. These two provinces are where the communist Vietnamese rule the roost. Our people in general sadly call them the martyred provinces, so we must work hard to turn them into provinces similar to other provinces in the rest of the country. Is this feasible? It is fully feasible. Why? Because the people of Prey Veng and Svay Rieng have suffered much from so many things. Therefore, the conflict is enormous. It is like dry straw in a field under the glaring midday summer sun waiting for just a tiniest spark to catch fire and burn all the oppressors into blackened stumps like snakes burning in a cage.

People have asked: In a situation of general collapse faced by the traitorous two heads, and at a time when they are agonizing and writhing in their death throes, what have the two heads and their masters done to save the situation?

There are two answers. First: The two heads and their masters have tackled the problem for more than two years or five seasons now, that is, since mid-1993. With each passing season, the traitorous two heads have become more desperate than ever. They have made contacts left and right, north and south, but to no avail. No one can save the two heads who have become more desperate and more rotten. They are decaying through and through with worms wriggling almost all over their bodies.

Second: People have said that the two heads have done nothing but chop up and auction off the country to dishonest foreign merchants. They have already cut off a large chunk at Kompong Som and sold it to foreigners. They have already cut off chunks of the country on both sides of Route 4, and sold them to foreigners. They have already cut off another chunk of the country on the west bank of the Mekong River adjacent to Kompong Cham, Kompong Thom, Kratie, Preah Vihear, and Stung Treng Provinces, and sold it to dishonest foreigners. They have cut off northeastern Cambodia, including the provinces of Stung Treng, Ratanakiri, Mondolkiri, and Kratie, and sold it to dishonest foreigners. They have leased these portions of land for 50 to 70 years to foreigners to do whatever they want. These lands are no longer Cambodian territory. They now belong to foreign merchants. And this does not include the plots of Cambodian land in the provinces, in the cities, and in Phnom Penh.

Why have they sold the land in this manner? It is not to solve the problems of the nation and people. They have auctioned the land to enrich themselves. So, nothing can be solved. They have only created and multiplied conflicts with our nation and people. The top ringleader is Hun Sen, and the decoy who is in charge of attracting deals is a man who is not even Cambodian. His name is Thai Bunrong alias Thai Bunma. He is the chief bandit specializing in ripping off the nation and the entire people since 1979 when communist Vietnam began its invasion and occupation of Cambodia. Therefore, either under Cambodian law in whatever era or under international law, to punish them by hanging would seem to be too lenient for their heinous crime.

As for their decaying situation, neither the two heads, their communist Vietnamese masters, nor their masters in the alliance can do anything to improve it if they continue to plunder the nation and people in this manner.

To promote and intensify duties during the 1995-96 18th dry season by stepping up militant efforts three- to fourfold:

Now let us talk about our duties during the forthcoming 18th dry season. The duties of all our national and people's resistance forces during the forthcoming 18th dry season are based on the concrete situation that took place during the past 17th rainy season. It is not our method to devise tasks that do not match the situation of the past 17th rainy season. It is not our method to devise tasks as it pleases us or tasks that do not suit the real situation.

The results of the 17th rainy season — results that can be used as evidence of our varied and abundant experiences — have all been described above. We shall not elaborate any further. Now let us deal with and affirm our duties for the forthcoming 18th dry season and also for future seasons. They are:

The first, principal, most important duty is to continue cleansing ourselves and our ranks, especially our cadre, so that our flesh is immaculate, free of rotten flesh, free of pacification agents, free of spies, and free of all kinds of moles that try to implant themselves or worm their way among us. What should we use to cleanse ourselves, and to keep ourselves clean at all times? It is the views, the stance, and the lines in all fields and aspects. The lines are like alum that we use to purify dirty water.

The second important duty is to strive hard to muster and build the entire national and people's forces because the entire nation and people are experiencing an acute conflict, a seething anger against the traitorous two heads, the aggressor, genocidal communist Vietnamese, and those in the alliance who have brownnosed communist Vietnam in a bid to wriggle their way into Cambodia. Our views and stance are clear: We try our best to rally the forces of the entire nation and people, that is, the people from all social strata so that together we can fight against the traitorous, nation-selling, nation-and-people-killing two-headed lackeys of communist Vietnam, against communist Vietnam, and against anyone in the villainous alliance who have connived with communist Vietnam in slaughtering our nation and people. We must mobilize the forces of the entire nation and people because we clearly understand that no single force can solve the current and future problems of the Cambodian nation, people, and race. We can do it only with the force of the entire nation and people. Our position is clear.

At the same time, we must pay closer attention to the poor peasants who more than anyone else are fired up by conflicts and national and class anger, who more than anyone else suffer from deaths, the hardships of life, separations, and losses. This force has been used by the enemy as soldiers, policemen, and militiamen against the nation and people, and to kill the peasants themselves. Therefore, we must raise our enthusiasm in rallying this force and building it, on the one hand, to prevent the enemy from using it as soldiers, policemen, and militiamen against their own nation and people and, on the other, to turn this force which is already fired up by conflicts and seething anger into crack troopers of our nation and people. There are thousands of them in the communes, tens of thousands in the districts, hundreds of thousands in the provinces, and over 6 million throughout the country. They can be turned into a most resolute and powerful force to hit back at the enemy.

Whether we ourselves, our ranks, and especially our cadres are genuine gold or not depends on our ability to build this force of poor peasants, on how well we can build it, on how many we can build, on how vigorous they are, and on how active and resolute they turn out to be. Whether or not we are pure gold is judged on that.

The third important duty is that our cadres and army have been helping us both on the front and in the rear; so our people and especially the poor must implement the guerrilla war using strategic weapons or the extra sharp crack army with the greatest militant intensity. The people's war must be waged by the people, the army, the ranks, and the cadres. Therefore, we must strive to build the force of the people. We must build it again and again. We must also strive to build the ranks and cadres, and build them again and again.

As for strategic weapons, they include punji pits, poisonous stakes, poison-tipped stakes, and multi-pronged stakes; cutting, cratering, and blocking roads; and barricading rivers, streams, and brooks everywhere. Strategic weapons are planted around enemy positions in layers. They are planted around villages where the enemy is using its administrators to suppress the people. They should be placed and planted in multiple layers to prevent the enemy both from getting out and from living inside. Attack the enemy and drive him from one place to another, shrinking down his zones while further expanding and consolidating our own zones. As for the strategic communications lines of the enemy, his transportation links, and his blood vessels, they should be cut repeatedly and more and more thoroughly until they become permanently severed. Those that are slightly damaged should be completely severed. Those that are still intact should be cut off to prevent the enemy from using them.

Where are these strategic weapons? They are everywhere. They can be found anywhere. Some places abound in them. Who is responsible for making them? The people, the army, the ranks, and especially the cadres make them. The cadres are the ones who give advice and encouragement. The cadres must always be a constantly sharp knife to prompt the making of strategic weapons with militant intensity. And strategic weapons are planted throughout each of their targets, each of their fronts, and each of their battlefields to drive the enemy out, thus liberating these targets, fronts, and battlefields. These strategic weapons play an important role in defending, consolidating, and expanding the liberated bases through their respective targets, fronts, and battlefields, further enlarging and strengthening them ceaselessly.

Regarding the political duties of the nation: When we talk about and define the immediate duties for this 18th dry season, we should not forget to mention and further clarify the political duties of our entire nation and people. Why? Because the goal of our nation and people's struggle has a very specific strategic objective. What is the strategic objective of our nation and people's struggle against the war of the aggressor communist Vietnamese and the puppets, their lackeys, who are joined by the alliance and the two heads?

Clearly the objective is to restore independence, unity, sovereignty, peace, and neutrality to Cambodia, with all its territorial integrity based on the map recognized internationally before 1970. Our strategic political duty is to achieve this fundamental objective, which our nation and people are ready to fight for even at the cost of their lives. However, communist Vietnam has invaded our country and has turned Cambodia into a Cambodia of communist Vietnam, which is bereft of independence, unity, sovereignty, peace, and neutrality—a Cambodia that has no territorial integrity as it did prior to the invasion and occupation by Vietnam.

Consequently, the objective of the Cambodian nation and our people is not communism, socialism, or any ism; nor is it racism, nationalism, religion, fascism, or separatism of any kind. This is a clear position. This is the objective and aspiration of our entire nation and our people from all walks of life. However, so that Cambodia may once again enjoy independence, unity, sovereignty, peace, neutrality, and territorial integrity as it did before the invasion by communist Vietnam, what are our important political duties?

The first important political duty is: The entire Cambodian nation and people must wage a struggle to end the war of the communist Vietnamese aggressors so that Cambodia has genuine peace once again.

The second important political duty is: The regime of the communist Vietnamese puppets installed by communist Vietnam in 1979 must be dissolved, and a Cambodian regime must be set up with the participation of all Cambodian sides and political parties, with the exception of five ringleaders and top traitors — namely, Hun Sen, Chea Sim, Sar Kheng, Heng Samrin, and Tie Banh. This is because their crimes are extremely serious; they have colluded with communist Vietnam to massacre our nation, people, and race, taking them to the brink of extinction over the past 17 years.

The national forces made up by all sides and political parties will jointly control the country on the basis of the laws of Cambodia—which upholds multiparty liberal democracy and a free- market system, under which people have the right to organize mass associations, stage demonstrations, and hold strikes to protect their professional interests, and is not dictatorial and fascist like the current communist Vietnamese regime.

The third important political duty is: It is imperative to solve the problem of the 4 million-plus ethnic Vietnamese, since the rest of the world has solved and is solving such a problem. The 4 million-plus ethnic Vietnamese constitute a force of aggression and a force of expansion, annexation, and genocide against Cambodia. They have caused and are causing Cambodia and the Cambodian community to experience all kinds of serious, inextricable crises, because they have robbed us of our land, rubber plantations, Tonle Sap, other lakes, rivers, ponds, careers, and businesses.

These 4 million-plus ethnic Vietnamese encompass the CPV, the Vietnamese Communist Youth League, the Vietnamese Communist Peasants' Associations, the Vietnamese Communist Women's Associations, and the armed and semi-armed forces. They constitute the direct agents of the CPV, which controls and administers the communist Vietnamese puppet administration from Phnom Penh down to the provinces, districts, communes, and villages and runs the affairs of all ministries.

These 4 million-plus ethnic Vietnamese are no ordinary refugees. They are the forces of aggression, expansion, annexation, and genocide against Cambodia. Hun Sen, Chea Sim, Sar Kheng, Tie Banh, and the People's Party of communist Vietnam are nothing but a screen to deceive outsiders. The muscle that is firmly controlling Cambodia is provided by the CPV, the Vietnamese Communist Youth League, the Vietnamese Communist Peasants' Associations, and the Vietnamese Communist Women's Associations, which themselves are controlling all the nerves and arteries of these 4 million-plus ethnic Vietnamese. More ethnic Vietnamese are being sent everyday. Some places have already become Vietnamese villages, communes, and districts, such as those in eastern Cambodia.

Speaking of eastern Cambodia, which de facto has already been annexed by Vietnam, it has never had the honor of receiving Ranariddh, another so-called prime minister of the two heads, who at least should have the decency to visit it. We are not talking about Hun Sen, who is a well known cheap lackey of communist Vietnam. Why? Because all his movements have been dictated by Hun Sen, by communist Vietnam. Although there are countless ethnic Vietnamese in Phnom Penh right under his nose, Ranariddh has not dared utter a word about it.

The situation of the 4 million-plus ethnic Vietnamese as described above is different from that of the ethnic Vietnamese in Hong Kong, who are held in jails and camps; from that of the ethnic Vietnamese in Germany, who are held in jails and camps; from that of ethnic Vietnamese in Southeast Asia, who are held in jails and camps; and from that of ethnic Vietnamese in Australia, who are held in jails and camps.

The Vietnamese in these countries are placed in jails and camps and are forcibly repatriated by the police, are handcuffed and shackled, dragged kicking and screaming to be deported to Vietnam, while the 4 million-plus ethnic Vietnamese in Cambodia constitute the forces of aggression, expansion, annexation, and genocide brought here in keeping with the strategy of the CPV and the late Ho Chi Minh. In addition to these 4 million-plus ethnic Vietnamese, there are tens of thousands and even hundreds of thousands of ethnic Vietnamese, young and old, men and women, who have been freely crossing the Vietnamese-Cambodian border to conduct a daily wholesale plunder of our waters, fish, land, forests, and all kinds of resources, driving Cambodians in eastern Cambodia into utter poverty.

The problem of these 4 million-plus ethnic Vietnamese must be settled, and we would like to stress that it must be settled through the channel of two laws. The first is the immigration law; the second is the nationality law. The Cambodian nation and people demand that these two laws be promulgated immediately, without any further delay. The two heads have postponed creating these laws for years. There is no reason for further delay.

As of 1 January 1996, there must be immigration and nationality laws, and they must be implemented to settle the problem of repatriating the ethnic Vietnamese. If the two heads fail to create these immigration and nationality laws, PGNUNS deems it necessary for them to draft and finalize an immigration law and a nationality law by the middle of December 1995 so that these laws can be formally implemented by a deadline of 1 January 1996.

Moreover, if the two heads fail to settle the problem of these 4 million-plus ethnic Vietnamese, the Cambodian nation and people will reserve the right to settle it in ways they deem necessary in order to prevent these ethnic Vietnamese from remaining as forces of aggression, expansion, annexation, and genocide against Cambodia. We would like to make this our ultimate announcement.

As for the United Nations, human rights groups, humanitarian organizations, and other international organizations, they must take notice of this announcement. You claim to be lawyers. If you really are lawyers, you must solve problems according to law. There are UN laws and international laws. There are laws everywhere, and they are implemented in every country. If you continue to side with the Vietnamese, however, to defend the Vietnamese and to support the Vietnamese in committing aggression and genocide against Cambodia intentionally and according to a premeditated and systematic plan, you must bear full and total responsibility. This is a duty that directly concerns Cambodia's independence, national unity, sovereignty, peace, neutrality, and territorial integrity.

The fourth important political duty is: All treaties and agreements signed between the Vietnamese aggressors and their puppets since the Vietnamese aggressors occupied Cambodia in 1979 must be considered null and void. Treaties and agreements that the communist Vietnamese puppets, in their capacity either as the State of Cambodia or as the so-called People's Republic of Kampuchea, signed with any third parties in violation of Cambodia's sovereignty must also be considered null and void. All agreements and contracts that dishonest foreign merchants have orchestrated with the two heads to purchase through auctions the sea, islands, Kompong Som, the zones on both sides of Route 4, the zones on both banks of the upper Mekong River, and the zones in northeastern Cambodia are all acts of international piracy against Cambodian territory. The Cambodian nation and people completely reject them and consider them null and void.

The Cambodian nation and people fight for and demand anything that stands within the framework of our independence, sovereignty, and territorial integrity. This constitutes the sacred right of all countries and peoples. It is most clearly expressed in the UN Charter and international law. The Cambodian nation and people repeatedly declare that they want to coexist peacefully with all countries, especially with their neighbors. The Cambodian nation and people firmly adhere to the five principles of peaceful coexistence, firmly adhere to the 10 points of Bandung, and firmly adhere to the Nonaligned nations' principles of nonaggression and noninterference.

The Cambodian nation and people do not wish to oppose Vietnam and the Vietnamese people in their capacity as a genuinely independent, peaceful, and fair nation, if they truly respect Cambodia's independence, sovereignty, and territorial integrity.

The Cambodian nation and people do not oppose countries, near or far, that love independence, peace, and justice; respect the UN Charter and international law; and do not commit aggression against or interference in Cambodia's internal affairs. The Cambodian nation and people have nothing but respect and gratitude for these countries, near or far.

[Dated] 1 November 1995

[Signed] National Army of Democratic Kampuchea

Indonesia

Members of 'Extreme' Islamic Group Arrested

BK0711093795 Jakarta SUARA KARYA in Indonesian 27 Oct 95 p 1

[FBIS Translated Text] Bandung (SUARA KARYA) — As many as 30 members of the extreme rightist NII [Islamic State of Indonesia] were arrested by the Purwakarta Military District Command on Thursday (26 October) for attempting to overthrow the unitary Republic of Indonesia. They are male and female workers of P.T. Elegant in Abrug, Cibinong Village, Jatiluhur Subdistrict, Purwakarta. More NII members are expected to be arrested; the Purwakarta Military District Command is looking for other leaders of the extreme rightist group hiding in Bekasi.

Infantry Colonel Akhmarudin Sambas, commander of Purwakarta Military District Command 0619, and Lieutenant Col. C.H.B. Herman Ibrahim, head of the Third Siliwangi Regional Military Information Service, told SUARA KARYA on Thursday (26 October) that the 30 workers of P.T. Elegant admitted to being NII members. "The garment factory workers also said they followed deviationist Islamic teachings," said Akhmarudin Sambas.

According to the commander of the Purwakarta Military District Command, Indra Gunawan (28) is believed to be the leader of the 30 suspected NII members. "We are still looking for other leaders that hold important posts in the extreme rightist group in Bekasi," he added.

Akhmarudin Sambas said the NII group has various official posts including precinct, subdistrict, and district chiefs. "Gunawan is a precinct chief," he said.

Sambas added that a report to the local village security force by the female manager of the P.T. Elegant workers dormitory led to the smashing of the extreme rightist group. Mrs. Efon became suspicious because the occupants routinely held "strange" religious rites led by Indra Gunawan. "In addition to deviating from Islam, his teachings also go against the government," the commander of the Purwakarta Military District Command quoted Mrs. Efon as saying.

Members of the local village security force arrested the male and female P.T. Elegant workers after verifying Mrs. Efon's report. Initially, only 24 people were picked up. The other six were arrested on Thursday (26 October). The Purwakarta Military District Command also seized leaflets and a book of NII teachings.

Purwakarta Command Arrests More

BK0811114995 Jakarta SUARA KARYA in Indonesian 1 Nov 95 p 11

[FBIS Translated Text] Bandung (SUARA KARYA) — The Purwakarta Military Command again arrested 11 extreme rightists NII [Islamic State of Indonesia] and seized 95 books on deviationist teachings that they used as guidelines. With the arrest of the 11 extreme rightists, the Purwakarta Military Command has so far arrested 41 NII activists who planned to create disturbances in the Republic of Indonesia, and also seized 13 types of books believed to be the NII's doctrine. Prior to this, as reported by SUARA KARYA on 27 and 30 October respectively, the Purwakarta Military Command had so far arrested 30 members of the movement.

Lieutenant Colonel Infantry Akhmaruddin Sambas, the 0619 Purwakarta commander told SUARA KARYA yesterday [31 October] that the group of 11 NII extreme rightists belongs to the same group as the 30 extreme rightists arrested previously. The arrests were strongly connected with the previous arrests made by the military command. He said: "Therefore, the arrest of the 11 NII extreme rightists was a follow-up development to the arrest of the 30 NII extreme rightists."

According to Akhmaruddin Sambas, the military command has so far seized a total of 95 books of 13 different types. The NII's guide books, among other things, commented on the Prophet Muhammed's birth date and autobiography. Munawir Cholil was the author of the books. Strangely, the books carry totally different versions with regard to the Prophet Muhammed's actual birth date and autobiography.

The Purwakarta military commander explained that apart from the comment on the prophet's wrong birth date, the NII's books contained teachings that run against true Islamic teaching. In addition, in the book entitled Tadabur Qur'an Tafakur Alam, Islam's credibility was greatly undermined. In this book, almost all the holy Quranic verses and the prophet's teachings were incorrectly comprehended. He added: "Not only were the holy Quranic verses and laws wrongly translated, but they were also out of context."

Akhmaruddin Sambas pledged to continuously track down the members of other extremist groups in and around the Purwakarta region. He said: "As for the members of other groups operating in Bekasi, we are coordinating our efforts with the local military command there. God willing, the NII movement will be totally eliminated."

Philippines

Death Toll Hits Over 700 From 'Super Typhoon'

BK0711035795 Quezon City GMA-7 Radio-Television Arts Network in Tagalog 2230 GMT 6 Nov 95

[FBIS Translated Text] The death toll from typhoon Rosing [Angela] has already reached more than 700, with 280 people still missing. One and a half million people in 205 municipalities in 25 provinces have been affected by the super typhoon. Here is the report of Alex Tinsay:

[Begin recording] [Tinsay] In Bicol alone, 323 have been reportedlyy killed by Rosing's fury. According to the National Disaster Coordinating Council [NDCC], the number of families affected is around 227,000 or about one and a half million people. Of these, 120,000 families or 636,500 people are still in evacuation centers. Many of those who have lost their homes are from the Bicol and Southern Tagalog regions. Ninety-six thousand homes have been reported damaged or destroyed, while damage to crops and infrastructure reach [Philippine] 2 billion pesos. According to initial reports, P500 million worth of rice which were to be harvested, have been destroyed in Central Luzon. Eleven thousand five hundred hectares of rice were destroyed in Bulacan, Pangasinan and Mindoro Occidental. Three billion pesos worth of fish cultivated over 13,000 hectares in Laguna De Bay have been reported destroyed.

According to NDCC Chairman Renato De Villa, the widespread destruction caused by the typhoon is not yet over as it is still necessary to repair the damaged communication lines that connect the municipal and provincial governments to the national government. [Defense] Secretary De Villa visited Daet, Camarines Norte to look at the scope of destruction brought by Rosing.

[De Villa in progress, in English] ...observe. We have a big problem when it comes to houses that were lost by the individual families. We have problems in infrastructure, we have very big problems in restoring the schools that were lost, repairing the schools that were lost. And I think next we (have) very big problems with respect to agriculture. Many of them have lost their crops, possibly some of them might have lost their livelihood with respect to the coconut plantations. It will take quite a while before the coconuts can recover. All in all, I think if we can put together all the results as both for the local and the national level, we can do something about the matter.

[Tinsay] According to the Department of Social Welfare and Development, Southern Tagalog has the most number of affected residents, at half a million. Many of them are still in the evacuation centers, thus a shortage of supplies for typhoon victims has been reported. Those in remote areas face major problems as they cannot be reached by relief workers and local government officials. The number of casualties is still expected to rise.

[Unidentified typhoon victim 1] While we were harvesting our rice, it was swept away, as the wind was so strong. Many villages have been affected and I...I am crying because, many of my family members have died.

[Unidentified typhoon victim 2, in progress]...suddenly. When our house was being swept away, we went down the house...

[Unidentified reporter] Then, what happened to your children who were separated from you?

[victim 2] They lost their grip. We have many children. There were eight.

[Unidentified reporter] How many died?

[Victim 2] Five.

[Unidentified local government official] Really..we have suffered much in this village. We are greatly surprised by what has been happening to us here.

[Tinsay] The number of casualties is expected to continue to rise. On the other hand, Meralco [Manila Electric Company] has successfully restored the power supply to an almost normal level in Metro Manila. However, this is in contrast to the situation in the Bicol area which is still wrapped in darkness. It is expected to take a while for electricity to be restored there.

Alex Tinsay, GMA Balita [News]. [end recording]

Thailand

'Breakthrough' Achieved in Negotiations With Laos

BK0811073895 Bangkok THE NATION in English 8 Nov 95 pp A1, A3

[Report by Kunlachada Chaiphiphat]

[FBIS Transcribed Text] Vientiane — Seven years of negotiations to settle the Ban Romklao border dispute should receive a boost today when Bangkok and Vientiane are expected to agree to upgrade the Thai-Lao Joint Boundary Committee [JBC] to ministerial level.

The committee's brief will also be expanded to cover other trouble spots.

The head of the Thai delegation to Vientiane, Foreign Ministry Deputy Permanent Secretary Sarot Chawanawirat, said the foreign ministers of both countries will discuss the structure of the new boundary committee as proposed by the Laotian side during today's fifth meeting of the Thai-Lao Joint Commission.

The latest breakthrough in the boundary negotiations will be reflected in the minutes to the fifth meeting which will be signed by both foreign ministers tomorrow.

Sarot said Laotian officials informed the Thai side at the two-day preparatory Joint Commission meeting on Monday that President Nouhak Phoumsavan has already appointed Foreign Minister Somsavat Lengsavat as his permanent representative for boundary negotiations with Thailand.

Laotian delegates told THE NATION that Laos wants to have a permanent boundary body to ensure the discussions continue.

They pointed out that frequent changes of the Thai Cabinet have affected the negotiation process as the new officials in charge always need time to acquaint themselves with the boundary issues.

According to Sarot, Thailand has yet to agree to the structure of the new body but he sees no problem if the present Foreign Minister Kasemsamoson Kasemsi co-chairs the new body with Somsavat.

However, it is unclear whether the appointment of Kasemsamoson will need the approval of His Majesty the King as head of state, or if Cabinet approval alone is enough.

Sarot said Thailand agreed to Laos' proposal as a new body with a higher level of representation will enable the committee to expand its functions and will have authority to negotiate on 40 other trouble spots along the 1,740-km common border.

The present JBC was set up in November 1988 with a limited mandate to tackle legal and factual aspects of the disputed Ban Romklao village area which sits between Thailand's Phitsanulok and Laos' Sayaboury.

According to Sarot, Laos is receptive to Thailand's long-standing proposal that the committee should tackle all trouble spots along the Thai-Laotian border.

They earlier insisted both sides should settle the Ban Romklao boundary dispute first before moving on to other trouble spots.

According to the Director General of the Department of East Asian Affairs, Sombun Sa-ngiambut, this change indicates the significance Vientiane attaches to restoring peace and order along the common border.

"Comprehensive negotiations will allow both sides to move on to other hot spots without getting bogged down if one spot cannot be settled," said Sombun, mentioning the comprehensive boundary negotiations Thailand had with Malaysia.

Laotian delegates said the Ban Romklao talks will take some years to settle although both sides have managed to conclude reports by joint survey teams who studied the disputed zones.

"Their respective positions (regarding where the boundary really is with legal evidence to back the claims) are still different, although they conducted the joint survey on the same spot," said delegates who asked not to be named.

The fact finding group of the Thai-Lao Joint Technical Sub-committee which conducted five on-site surveys in the areas in March this year has concluded a joint report on their findings.

Senior officials at yesterday's Joint Committee preparatory meeting prepared the agenda for the ministerial talks and drafted joint agreed minutes of the meeting to be signed tomorrow at the end of ministerial talks.

According to Sarot, Laos also agreed to study proposed texts on an agreement to extradite suspected criminals from both countries as well as cooperation on other legal matters.

Thailand also requested that Laos enforce a standard when determining fines for illegal immigrants.

On efforts to facilitate cross-border land transport, Thailand has proposed ministries concerned hold a meeting to handle cooperation and comprehensively discuss related problems which include traffic management, transport systems and insurance matters.

Sarot said a joint survey team involving the Ministry of Transport and the Department of Hydrology will survey the proposed site for a bridge across the Heuang River between Thailand and Laos.

Laos has proposed a site between Ban Nakaseng in Loei province and Meuang Mo in Laos' Sayaboury province.

He said Thailand also agreed to consider Laos' request for a new grant of about Bt [baht] 200 million for construction.

"We see the need for Laos to upgrade their airport to allow landing of larger aircraft but we need to consider what kind of assistance we can offer because the amount requested is considered massive for Thailand," said Sarot.

A senior official of the Department of Technical and External Cooperation said Thailand will also agree to a Laotian request for about 100 scholarships worth over Bt120 million for 1996.

This will include 20 scholarships for masters degree students, 60 for a training programme, and a project visit programme for senior officials, said Aphinan Patiyanon, director of External Cooperation.

On refugee problems, Laos proposed a three-way meeting between Thailand, Laos and the UN High Commissioner for Refugees be held in Champassak before the end of this year to explore ways to expedite the repatriation of some 6,000 refugees remaining in Thailand.

Official: APEC Agriculture Deal Within Reach

BK0811054295 Bangkok THE NATION in English 8 Nov 95 p B1, B2

[Report by Wichit Chaitrong]

[FBIS Transcribed Text] A senior commerce official is confident that the agricultural sector will finally be included in APEC's trade liberalization blueprint despite initial opposition from Japan, China, Taiwan and South Korea.

"Finally, leaders of the Asia Pacific Economic Cooperation [APEC] forum are set to agree at the upcoming APEC leaders summit in Osaka to include the farm sector into the trade liberalization agenda," a Commerce Ministry source, who has been involved in APEC matters, said.

Whether to include rice has become a major threat to next week's APEC summit.

Although the 18 APEC members agreed last year to open their markets under the comprehensive principle, Japan, China, Taiwan and South Korea have asked for the exclusion of sensitive areas, especially rice.

Thailand, Australia and the United States all insist on the inclusion of the farm sector.

The source believed that the majority of APEC nations would successfully lobby the four reluctant members to include the entire sector in line with the Bogor declaration.

Last year in Bogor, Indonesia, APEC leaders agreed to ensure free and open trade and investment no later than the year 2020.

They also recognized the different levels of economic development among APEC economies, with the industrialized economies to achieve the goal of free trade no later than the year 2010 and developing economies no later than the year 2020.

The comprehensive basis is the principle to which member economies must adhere to, he said.

Although some countries are strongly opposing the inclusion of rice verbally, eventually they will bend to the comprehensive principle agreement, he predicted.

He cited the example of Malaysia, which is trying to introduce an East Asia Economic caucus to compete with APEC, but the Malaysian leader has still attended all APEC summits.

As the world economy is rapidly changing, the countries are seeking to form economic blocs — none of them want to miss the boat, he said.

In a related development, Prime Minister Banhan Sinlapa-acha is expected to ask Japan to import more rice from Thailand, the source said.

Thailand should have about a 30 per cent share of Japan's rice imports as part of the country's commitment to open its rice market under the General Agreement on Tariffs and Trade (GATT).

"Thailand has a 30 per cent share of the world rice market, so we should have a 30 per cent share of Japan's rice imports," he said.

Under GATT, Japan is obliged to import a total of 379,000 tonnes of rice during the fiscal year ending March, 1996.

So far, Japan has imported more rice from China, the United States and Australia, the source said.

The source claimed that Japan's import bidding procedures are unfair to Thailand because they are not transparent.

In another development, the official predicted that the deregulation of Japan's rice trade would indirectly benefit Thailand.

It is a good sign, although it will not directly affect rice exporting countries, he said.

The source was hopeful that it may lead to the deregulation of Japanese rice imports.

The law, which took effect on Nov 1, is aimed at substantially reducing the government's role in rice distribution.

Daily Notes Problems Faced by Banhan Coalition

BK0811050595 Bangkok THE NATION in English 8 Nov 95 p A4

[Editorial: "A Cabinet Reshuffle Must Not See Mistakes Repeated"]

[FBIS Transcribed Text] There are a number of fundamental factors at play that have put pressure on Prime Minister Banhan Sinlapa-acha to reshuffle his Cabinet. So we hope the premier will put the national interest first before party expediency — which is a major, if not the biggest, problem of this government.

Banhan's problem is credibility, especially among Cabinet members from the Chat Thai and Social Action parties. In the past three months, they have proven to be ignorant and incompetent, especially when it comes to running a nation. Worse, they have prioritized vested interests rather than national ones.

The infamous history and achievements of the SAP [Social Action Party] under the leadership of Montri Phongphanit are well known. Its recent unwarranted meddling in the boards of the Electricity Generating Authority of Thailand and the Airports Authority of Thailand have only endorsed a belief that this party has not developed and matured with democracy at all. It has not kept up with the times and does not deserve to be in the government.

Meanwhile, the Cabinet has been filled with Chat Thai Party men who are not at all qualified for their roles in national politics. At the same time, almost daily, we hear senior party members voicing their strong views and hoping that they will be considered for better Cabinet posts.

Such demands for power are no longer acceptable to the voters, particularly to those in the urban areas.

The recent Dusit and Matichon opinion polls might have underlined the public's skepticism over Deputy Finance Minister Newin Chitchop, although it must be pointed out also that Sano Thianthong, Chat Thai Party secretary general, has not lived up to expectations either. He has been appointed public health minister, but instead of doing his best to show his ability and concern for the health of the people, he has been complaining daily that he is more suited for the post of interior minister.

But if he cannot even manage the Public Health Ministry properly, how could he possibly do a better job at the Interior Ministry? To anyone with good intentions, the post of interior minister is not all about prestige and power, but rather about fighting factionalism and a bloated bureaucracy.

The Chat Thai Party's Thoet Thai faction, likewise, does not offer any better alternative. There is a strong likelihood that their designated ministers will cause problems and give the government a more negative image.

Deputy Prime Minister Thaksin Chinnawat made a very good point when he said that the public should be listened to. He and his Phalang Tham Party might reap greater popularity from his remarks. This is not because they are aimed at pleasing voters but because they showed that he and his party adhere to certain principles.

It would be a grave mistake if Banhan wielded the axe at targets aimed at by members of the Chat Thai Party, such as Finance Minister Surakiat Sathianthai. He is much more competent than any of the Chat Thai MP's. Unless he is replaced by a more credible person, it is better to leave him where he is. But this is not to say that Surakiat can become a greater asset by working side-by-side with the prime minister as his personal adviser. For one, Banhan has lost his way as leader of the nation, and his administration now seems to be in disarray.

The polls have indicated that the majority of the eight ministers, whom the public has little confidence in are from the Chat Thai Party — the leader of the current coalition.

This is a real yardstick that the prime minister can use. The reshuffling of Cabinet posts among the Chat Thai members is unlikely to bring much joy to the people of this nation. But if he brings in qualified people from the outside, his party members would be equally unhappy. This is why Banhan has gone to painful lengths to delay the reshuffle as long as possible.

But playing with time can be detrimental to the nation. As it is right now, people seem fed up, with the executive not living up to public expectations.

We probably could accept a limited and cosmetic Cabinet reshuffle as Banhan tries to prolong the life of this coalition government. The alternative is to step aside, which would leave the premiership up for grabs. The most likely contender to be the new prime minister would be Chawalit Yongchaiyut, leader of the New Aspiration Party.

But like Banhan, Chawalit faces a similar predicament in his party. He is plagued with the problem of not having enough qualified party people to lead a government. We cannot help notice that the two major opposition parties — Democrat and Chat Phatthana — have kept relatively silent and are waiting like vultures to swoop as this government destroys itself with its sense of false pride. The end might come sooner than expected.

Security Council 'Prepared' for Terrorist Activity

BK0511124995 Bangkok THAILAND TIMES in English 5 Nov 95 p A1

[Unattributed report]

[FBIS Transcribed Text] Bangkok — The National Security Council (NSC) is well-prepared to deal with unexpected international terrorist actions in the country, revealed NSC Deputy Secretary-General Songkhram Chunphiban yesterday.

Songkhram told THAILAND TIMES the NSC has done some preparations to deal with any unfavorable incident that might spring from actions of international terrorist groups.

He said the NSC has established two committees to prevent and deal with unexpected terrorist operations.

One committee dubbed the Committee to Prevent and Formulate Policies Against International Terrorist Operations is headed by the Prime Minister. Committee members include the ministers of Foreign Affairs, Interior and Finance, the Commanders-in-Chief of the three armed forces, and the Chief of Police.

The NSC secretary is also the secretary of this committee. The committee's duties include the formulation of solutions and policies to prevent and control unexpected terrorist actions.

The second committee called the Sub-committee to Prevent International Terrorist Operations is presided by the NSC secretary. Songkhram himself is the vice president of this committee. The subcommittee includes representatives from the ministries of Interior and Foreign Affairs, the Aviation Department, the Special Branch Division of the Police Department, the National Intelligence Agency, and the Supreme Command Headquarters.

In the event of an international terrorist attack, the subcommittee will be the first group to investigate the incident, and it is obliged to submit a report to the other committee for it to decide what action to take regarding the event.

If the country suffers from any unexpected terrorist action, it is the responsibility of the committee to negotiate with the terrorist group.

If the committee fails to resolve the crisis, only the Prime Minister has the authority to order a physical attack against the perpetrators, said Songkhram.

These preparations have been made following the death of the leader of the Islamic Jihad Dr Fathi Shakaki who was gunned down in Malta on Thursday.

The group vowed to take revenge against Israeli targets around the world.

Shakaki was shot five times in the head outside a hotel in Malta by a gunman on a motorbike and the Islamic Jihad blamed Mossad, Israel's intelligence agency, for the incident.

The Israeli embassy in Bangkok has been receiving several bomb threats in the past years until now.

In fact, in March 1994, an international plot to blow up the embassy was uncovered.

One suspect was Hussein Shahriari Far, an Iranian, who was caught in possession of a one-ton bomb found in a big truck near the embassy.

The NSC deputy secretary-general also said that the NSC is always on the alert to prevent any untoward terrorist actions made not only by the Islamic Jihad but by other groups as well.

Muk Sulaiman, New Aspiration Party MP for Pattani, said there is nothing to worry about the situation in the South at the moment.

"The Southern border is still peaceful. The Islamic Jihad is not likely to conduct any terrorist action there," he said.

Europe is more likely the venue of a terrorist operation than Thailand as the country is not a strategic spot for any terrorist action.

"But it's better to be prepared against unexpected actions," ended Muk.

An unidentified police officer from the Special Branch division of the department said the security measures are not only for important figures of the Israeli embassy, but also for Mid-Eastern and European countries that support Israel.

Army Declares War on Northern Opium Plantations

BK0511125595 Bangkok THE SUNDAY POST in English 5 Nov 95 p 3

[Unattributed report]

[FBIS Transcribed Text] Mae Sot, Tak — The Third Army Region is to join forces with other agencies from the middle of the month in a crackdown on opium plantations.

Lt-Gen Thanom Watcharaphuk, third region commander, said yesterday the big increase in market demand for opium has attracted a number of northern tribesmen to extensively grow the illicit plant.

In the 1994/1995 planting season it covered almost 4,360 rai of land.

But Lt-Gen Thanom said that of the planted areas about 3,622 rai or around 70 per cent has been destroyed by the authorities.

He said many hilltribe farmers have stepped up opium poppy cultivation because it can bring in more income than other cash crops.

And local traders buy direct from the fields so there is no travelling to markets.

In an effort to tackle the drugs problem the Third Army Region has been running a campaign since 1981, said the commander.

As well as being concerned with suppression of the problem it also includes giving out information to the public about the dangers of drugs.

Other related measures are the promotion of cash crop cultivation to substitute for opium and the development of education and health care.

Lt-Gen Thanom added: "The anti-drug campaign has been financially supported by foreign aid through the Department of Technical and Economic Cooperation.

"The Third Army has also cooperated with the Office of the Narcotics Control Board to drastically crack down on drugs, particularly opium growing in the uplands."

Although there are tough legal measures against drug traffickers many people still risk their lives by engaging in the trade because it could bring them wealth, said Lt-Gen Thanom.

He added: "The major drugs factories are not located in Thailand but in its neighbouring countries.

"Soldiers on guard along the border areas have found large-scale plantations of opium in those countries.

"However, we can't invade their areas to slash and burn it. When there is the widespread drug, our country is normally accused of being a major transit route for drugs."

Vietnam

Dissident Party Veterans' Trial Discussed

BK0711060695 Hong Kong AFP in English 0453 GMT 7 Nov 95

[FBIS Transcribed Text] HANOI, Nov 7 (AFP) — Two dissident veterans of the Vietnamese revolution, Hoang Minh Chinh and Do Trung Hieu, are to appear in court here Wednesday for challenging the communist party's political monopoly, family members said Tuesday.

They were both arrested June 13, Chinh in Hanoi and Hieu in Ho Chi Minh City.

Chinh, 76, and Hieu 57, could be jailed for several years if found guilty.

Chinh, an advocate of democratisation, is accused of harming national security through the abuse of democratic and freedom rights.

He was arrested for writing articles challenging the omnipotence of the communist party and calling for the rehabilitation of victims of revisionist purges in the 1960s. According to his family, which has been allowed a single visit to Chinh in October, the dissident's health has sharply deteriorated during his detention and he is suffering from heart and respiratory problems as well as low blood pressure.

His detention was extended for three months at the end of October. Since 1967 he has spent 11 years in prison and nine under house arrest.

Chinh was secretary-general of the democratic party, which emerged from the communist party which dissolved itself before the sixth party congress in 1986, secretary-general of the Youth Union and director of the Institute of Marxist-Leninist philosophy in Hanoi.

Hieu is expected to face charges of anti-socialist propaganda at the same trial, according to his family.

He is a member of the club of former resistants founded in Saigon (Ho Chi Minh City) in 1990 with a former top party official, Nguyen Ho. The club was subsequently banned for advocating political pluralism.

He was transferred to Hanoi a few days after his arrest and his family has been allowed a single visit on October 17. Hieu has suffered from heart problems for many years but his condition has worsened in prison where he is malnourished, members of his family said.

Hieu will conduct his own defence. Hanoi refuses to allow foreign lawyers to defend Vietnamese nationals and has rejected appeals by a foreign-based human rights group, Alliance Vietnam Liberte, to allow both men to be defended by a French lawyer.

The authorities have said nothing about the upcoming trial.

For current party leaders, veteran dissidents pose one of the greatest threats to unity as well as a delicate problem to settle as preparations continue for the eighth congress to be held in mid-1996.

Pair Sentenced; Documents Destroyed

BK0811160195 Hanoi Voice of Vietnam Network in Vietnamese 1430 GMT 8 Nov 95

[FBIS Translated Text] Today the Hanoi Municipal People's Court has held a public, lower court trial of Do Trung Hieu and Tran Ngoc Nguyen on charge of abusing democratic liberties and violating the interests of the state and social organizations.

Do Trung Hieu was born in 1938 and resided at 7-D Phung Khac Khoan Street in Ho Chi Minh city; and Tran Ngoc Nguyen, also known as Hoang Minh Chinh, was born in 1922 and resided at 26 Ly Thuong Kiet Street in Hanoi.

According to Indictment No.46/KSAN of the Hanoi Municipal People's Organ of Control, and testimonies made by the defendants at the investigating organ as well as at the trial, this case can be summed up as follows:

From late May to early June 1995, the investigating organ received a number of documents with malicious contents sent in by a number of state organs and citizens, asking them for confirmation and clarification. After investigating this case, the Hanoi security policy obtained enough evidence to conclude that these documents were written by Do Trung Hieu — who resided at 7-D Phung Khac Khoan Street in the first Precinct of Ho Chi Minh city — and then sent to Tran Ngoc Nguyen, residing at 26 Ly Thuong Kiet Street in Hanoi, for dissemination.

Following an urgent search of the houses of Nguyen and Hieu, the investigating organ discovered and seized many more documents with fabricated contents distorting our party and state policy lines, and slandering various state organs and social organizations. The defendants' actions violate Article 205-A of the SRV Criminal Code, which defines the crime of abusing democratic liberties and violating the interests of the state and social organizations. The defendants' unlawful actions are grave as they run counter to the interests of the state and of social organizations and have had a negative impact on the confidence of a number of people involved with the party's policies and the state law.

The defendants' actions were also serious as a number of local dissidents took advantage of these documents to spread distorting and incendiary propaganda against our party and state rule.

More seriously, the defendants distributed these documents to a number of organizations and individuals abroad and overseas Vietnamese. Consequently, a number of mass media organs and hostile forces took advantage of this to spread their distorting propaganda, thereby having a negative impact on our party and state's policy of multilateralizing and diversifying foreign relations.

In this case, Do Trung Hieu is the mastermind because he is the one who directly drafted these malicious documents, had them printed in Ho Chi Minh City, and then sent them to Tran Ngoc Nguyen so the latter would further forward them to a number of state organs and distribute to some individuals in Hanoi. In addition, Hieu himself was once arrested by the Ho Chi Minh City Security Police for violations of national security in 1990. Tran Ngoc Nguyen was the one who provided effective assistance to Do Trung Hieu in distributing the malicious documents. He also abused the right of freedom of speech by distorting the truth when he was interviewed by some foreigners.

Based on the criminal actions of the defendants, the Hanoi Municipal People's Court sentenced Do Trung Hieu and Tran Ngoc Nguyen to 15 months and 12 months in prison respectively. The court also decided to confiscate and destroy all these malicious documents.

When deciding on the penalties, the court paid attention to the earnest attitude of defendant Do Trung Hieu and also took into account the fact that defendant Tran Ngoc Nguyen is over 70 years old.

The court's decision was favored by the majority of those present at the trial.

Culture Minister Discusses Antivice Tasks

BK0611045295 Hanoi Voice of Vietnam Network in Vietnamese 2300 GMT 3 Nov 95

[Excerpt of report by Minister of Culture and Information Tran Hoan to National Assembly's ninth session in Hanoi; date not given — recorded]

[FBIS Translated Text] Circular No. 128-CD dated 26 September, issued by the prime minister and published in newspapers, outlines the plan for the campaign to restore order in cultural and social activities. I think that to effectively solve these problems, we need to carry out the plan resolutely. I would like to repeat some of the prime minister's opinions voiced at a meeting at the time, opinions which I think can be used as targets, and provide direction to the campaign.

Regarding the current situation, the prime minister has pointed out that in the past several years, our cultural activities have developed in various directions. Traditional culture has attracted more attention, and more efforts were exerted to preserve and develop our peculiar cultural features. Many new forms of cultural activity took shape in various localities. The people's level of appreciation of cultural activities was heightened, and cultural interaction with foreign countries was expanded. There are also, however, many unfavorable signs of unhealthy cultural activity which are detrimental to our social life. Large quantities of video films and printed material in the form of books, papers, and documents with harmful contents are circulating among us. At various localities, many printing establishments, advertisement agencies, karaoke spots, and dancing clubs operate either without permission or in unlicensed businesses, thus seriously breaching state regulations. Social vices such as prostitution, narcotics, and gambling are still going on undercover in many hotels, restaurants, massage parlors, and beer pubs. These vices have not been repelled, and in some places are even developing.

These negative and illegal activities are producing harmful effects on people's morale and emotions, deteriorating the moral standards and fine customs of our nation. People are strongly critical of those who conduct these illegal and immoral businesses and services.

Regarding the policy and measures to counter the situation, the prime minister also pointed out that to fulfill the targets of developing culture, to heighten people's level of knowledge, and to preserve a traditional cultural heritage in the renovation undertaking, we need to carry out a nationwide campaign with the participation of all people, social organizations, and state agencies under party leadership, aimed at the following objectives:

a. To suppress all culture activities of an aphrodisiac and violence-stimulated nature in all forms of movie films, video films, music tapes, books, magazines, calendars, advertisements; and in all locations such as concert theaters, movie theaters, dance floors, karaoke shops, hotels, and restaurants, whether they belong to the state, agency, or individual. Order and discipline should be restored to all cultural service activities to ensure correct cultural direction and observance of state law.

b. To eradicate the social vices of prostitution, drugs, and gambling regardless of any disguised forms they might take. Efforts should be exerted to discover and strictly punish organizers, procurers, middlemen, and traffickers. State cadres and agencies involved in these prostitution and narcotics activities should also be punished severely.

On measures to implement these objectives, the prime minister stressed that this campaign should be carried out intensely and uniformly with appropriate legal preparations and in coordination with all participating forces to create widespread people's support. Following this directive, five ministries and many general corporations have been assigned relevant responsibilities, and the Ministry of Culture and Information has assumed the executive role.

In fulfilling our responsibility, over the past month we have cooperated with relevant party and state bodies at the central level as well as with the authorities of Hanoi, Ho Chi Minh City, Dong Nai, Long An, and Song Be. So far we have been able to determine the basic scope of responsibility, objectives, and measures to implement the campaign to correspond to people's aspirations as well as to the realistic ability of responsible agencies and their existing facilities.

We have completed drafting a Secretariat's directive, a prime minister's directive, and a government ordinance on those regulations and cultural activities that need to be rectified; and another government ordinance on actions to be taken against the breaching of those regulations which will be promulgated in early November. These documents are needed for the first phase of the campaign — from 1 January 1996 to the Tet new year festival — as well as for the remainder of 1996.

Regarding measures to be taken, it is advocated that because this is a long-term and complex struggle, we must initially concentrate on resolving the most pressing problems that should be and can be carried out effectively with the people's support to generate a momentum for follow-up steps. That is the first point; the second is that since this is a major campaign, we must enlist the support of various mass organizations, and sectors, both of the administration at various levels, and of all the people. It is necessary to clearly establish guidelines showing that responsibility must rest with the one in charge of a court of law [sentence as heard] as was suggested by the standing members of the Ho Chi Minh City and Hanoi Party Committees, considering managerial experience obtained from various city wards. The third point is that we must organize coordination among various forces of responsible sectors — as they are the backbone — and create a combined strength between them and the mass movement. The fourth point is that since our professional ideological and cultural management forces in society are still small and lack a unified management system, their management efficiency continues to be limited. May we suggest that the government establish an ideological and cultural management department at the central level and set up various ideological and cultural sub-departments at certain key localities so as to monitor and provide guidance for ideological and cultural activities while strengthening inspection organs. Only by doing so will we be able to achieve cooperation with various sectors — public security, police, and market control — in the market system, and to firmly maintain our socialist path.

Along with eliminating harmful cultural products, we must invest in cultural construction if we are to promptly turn out good and healthy products to meet the people's legitimate cultural needs.

Finally, we believe that it will be of decisive importance for the National Assembly to pay attention to this issue. We appreciate a recent decision made by the Ho Chi Minh City People's Council to have the entire city develop its own responsibility and its on-site capabilities to eradicate illegal commercial cultural activities and to eliminate the harmful cultural products now in circulation in the city.

I believe that if all local people's councils do the same, we will certainly be able to gradually iron out this common worrisome problem.

Australia

Minister Discusses APEC Free Trade Commitment

BK0811115295 Melbourne Radio Australia in English 0630 GMT 8 Nov 95

[From the "International Report" program]

[FBIS Transcribed Text] Well, next week looms as decision time for APEC, the Asia-Pacific Economic Community. APEC will be sitting down in Osaka to work out the details of the economic vision announced last year — free trade between developed states by 2010 and the rest of APEC by 2020. But Japan, China, Taiwan, and South Korea want to take agriculture out of that formula. Australia, though, says it spent 40 years getting farm trade onto the international agenda and it won't be backing down. From Canberra, Graeme Dobell reports.

[Begin recording] [Dobell] APEC foreign and trade ministers will spend a couple of days trying to resolve the agriculture issue before it goes to the leaders' summit on 19 November. Australia's trade minister, Bob McMullan, says the Osaka meeting will help determine what the six-year old APEC grouping can achieve. Senator McMullan says only the leaders may be able to resolve the defining issue.

[McMullan] There are some things that only leaders can break through if they are at logjams and one of the advantages Australia has in this whole thing is that it's recognized around the region that Paul Keating's pretty good in these meetings. He is a pretty effective operator. He couldn't achieve it if he is by himself, but he won't be by himself because there will be a large number of leaders who share his position. But our position is well served by having him there. When you look at the combination of pressure that will be building up and the individuals who will be there, then I think we have got a good deal of optimism.

[Dobell] And we are not there yet?

[McMulan] I don't rule out the possibility that we will not make it. I am just optimistic. [end recording]

Sen. McMullan says Australia is determined that Japan will not be able to defer agriculture past the free trade end date for developed APEC states of 2010. The trade minister says Japan and South Korea are already committed on the GATT agreement to liberalize farm trade over the next five years. So the argument is about what happens after the year 2000.

[Begin McMullan recording] And after 2000, our position is we will look to see what everybody else is doing. We are prepared to fulfill the Bogor commitments and continue from 2000 to 2010. We have articulated it in the not most elegant of English but very clear. Nothing for nothing. If after the year 2000 others are not moving, we won't be moving. [end recording]

New Caledonia

Military Training of 12 Tongan Soldiers Ends

BK0411140295 Melbourne Radio Australia in English 0500 GMT 4 Nov 95

[FBIS Transcribed Text] A group of Tongan soldiers has finished two weeks of commando training with New Caledonia's armed forces. Officials in Noumea said each of the 12 Tongans was paired with the French soldiers from New Caledonia's Overseas Infantry Regiment. The two-week exercise included an introduction to amphibious operation using inflatable dinghies. Tonga and the French Territory of New Caledonia have carried out joint military maneuvers since 1993.

New Zealand

Major Arrives, Says No Regrets on Nuclear Issue

LD0811151695 London PRESS ASSOCIATION in English 1203 GMT 8 Nov 95

[By Amanda Brown, Chief Political Correspondent, PA News, in Auckland, New Zealand]

[FBIS Transcribed Text] The Prime Minister was today unbowed over his stance on the French nuclear testing row in the South Pacific.

John Major, who arrived in Auckland for the Commonwealth Heads of Government meeting looking tired but relaxed, was asked for his reaction to protests at his support for President Jacques Chirac's nuclear tests in the region.

"I don't remotely feel as though my back is against the wall on that, or any other issue," he said.

"We know what the feelings are and Britain's position is well understood.

"No-one is in any doubt about my position. I have said it many times and I have no regrets."

Mr Major said Britain had worked very hard for a comprehensive test ban treaty.

He said it probably would not have happened without Britain's influence but the decision to carry out tests was for France.

"I understand well people's feelings about it, but that is a decision for France.

"I am not going to join in general condemnation and I am not going to change my mind.

"Taking decisions like that is not easy. I doubt President Chirac took it willingly or easily."